

THE AMERICAN ELEVATOR AND GRAIN TRADE



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VOL. XLV

431 South Dearborn Street, Chicago, Ill., November 15, 1926

NO. 5

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We want your business but we want it on a basis that will pay you as well as ourselves. We want it because we have proper facilities for handling it.

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CAPACITY { 200 Lbs. Coal
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Something you have been looking for. A machine to clean out elevator boot from work floor. H. H. PARLIAMENT, Henry, S. D.

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FORWARDING
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**SUPERIOR ELEVATOR
BUFFALO**

Capacity: 3,700,000 bushels.
Marine Leg Capacity: 50,000 bushels per hour.
Canal Loading: 50,000 bushels per hour.
Rail Loading Capacity: 55,000 bushels per hour.
Location: Buffalo Creek Railroad
Connecting all railroads
Quick service.
Services Performed: Conditioning grain
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**McConnell Grain
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**The Townsend-Ward
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Grain Merchants

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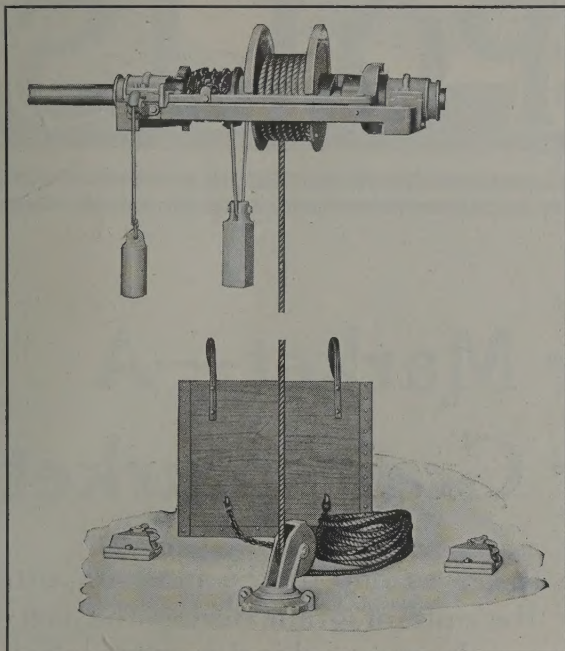
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**GRAIN
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Our Specialties

CONSIGNMENTS
given painstaking
attention

Correspondence
Solicited

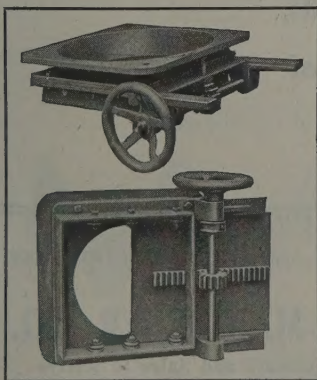
N. & M. AUTOMATIC POWER SHOVEL



No mill or elevator receiving bulk shipments of grain can afford to be without this useful and labor saving device. The N. & M. Automatic Power Shovel, while of the conventional type, is of an improved design with exceptionally heavy frame and self-lubricating bearings that carry a liberal oil supply.

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The accompanying illustration shows an N. & M. designed, new type of bin and hopper bottom. The slide is controlled by rack and pinion and is carried on rollers that affords a hitherto unknown ease of bin bottom operation under heavy load.



The N. & M. line includes everything for the modern mill and elevator. Write for descriptive literature and prices.

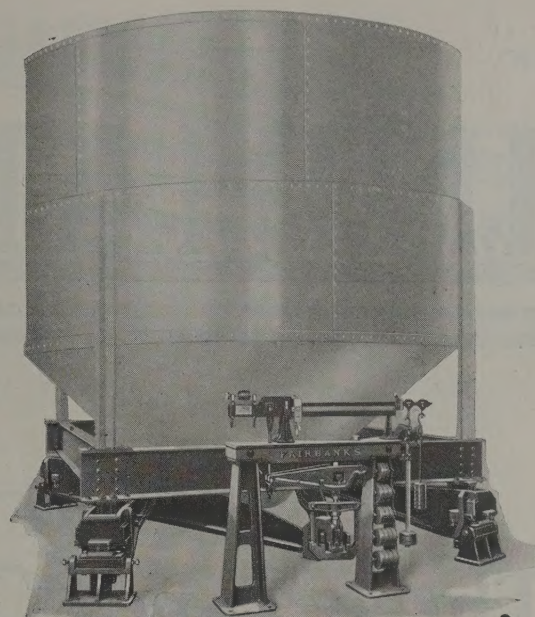
NORDYKE & MARMON, INC.

Established 1851

Indianapolis

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AMERICA'S LEADING MILL BUILDERS



Why the Fairbanks retains its accuracy

Fairbanks Hopper Scale construction provides for transferring the load from the hopper to the scale levers through a flexible combination of suspension elements. These allow for the disturbance of emptying the hopper without changing the initial balance of the scale.


All knife edges and bearings are in full view. Adjustments in the lever mechanism are extremely simple, so that the usual delays in getting the scales sealed are eliminated. Recently a battery of fourteen Fairbanks Hopper Scales, installed in a large terminal elevator, was tested, inspected and approved within the short period of fourteen days from the time the installation was completed. This tells its own story of quick, positive adjustment and precision manufacture.

Other features of the Fairbanks Type "S" Hopper Scale are: improved registering type beam; perfected weight-lifting device and other advanced features that cut weighing time and minimize maintenance.

Ask for detailed description

The Type "S", illustrated above, is built in capacities of 2000 and 2500 bushels. Other Fairbanks Hopper Scales for elevators of every size.

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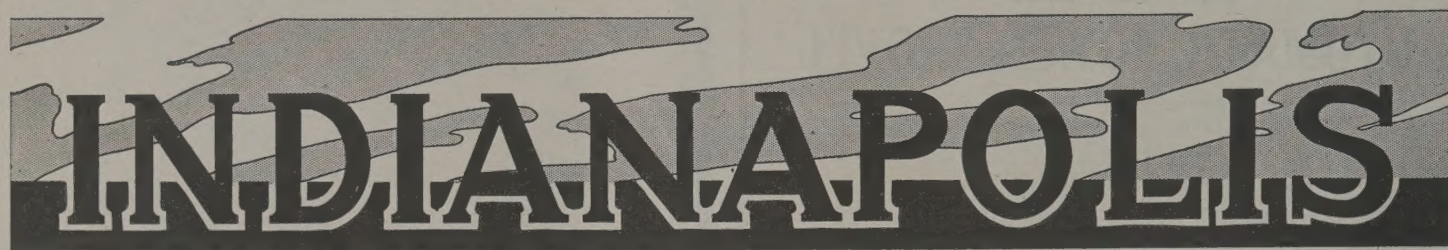
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Indianapolis—Your Market—A Three Times Greater Grain Market

Indianapolis, the center of grain centers, is known today as one of the most important, rapidly growing grain and hay markets in the country. Receipts of grain during the last ten years have nearly trebled in volume, due to the advantages its geographical location offers to the grain and hay producing and consuming sections of the country, its splendid railroad facilities assuring prompt returns on shipments, its large local consumption of grain by its corn and flour mills and its manufacturing industries, its increased elevator storage and drying equipment, its adequate weighing facilities and efficient inspection department. This has made Indianapolis more and more important each season for shippers and buyers of grain, hay and feed.

Movement of Grain and Hay During the Year 1925

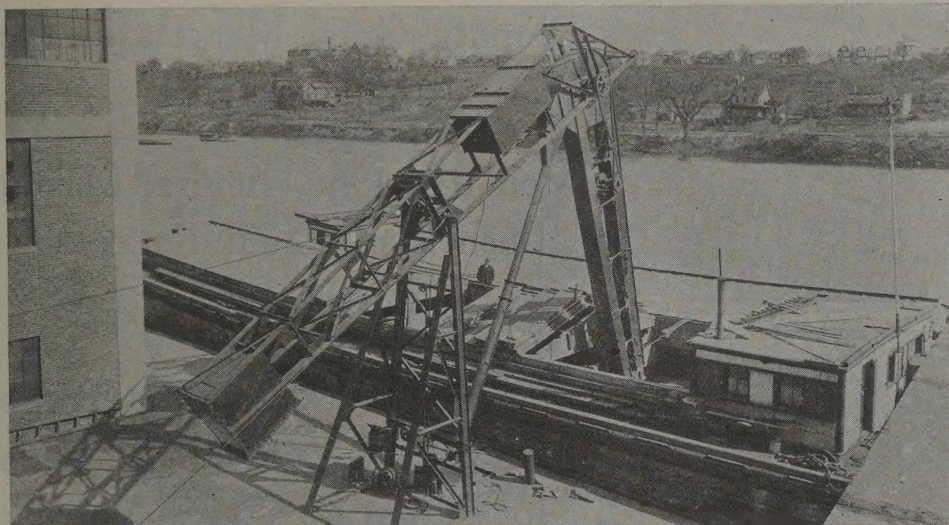
	Receipts	Shipments
Corn	18,838,000 bushels	14,527,000 bushels
Oats	9,016,000 bushels	7,818,000 bushels
Wheat	4,527,000 bushels	2,141,000 bushels

The following Receivers and Shippers are members of
Indianapolis Board of Trade

HAYWARD-RICH GRAIN COMPANY COMMISSION AND BROKERAGE 414-415 Board of Trade Building	WM. R. EVANS, President GEO. H. EVANS, Sec.-Treas. Midwest Elevator Company Incorporated BOARD OF TRADE	FOR SERVICE—EFFICIENCY—COURTESY SHIP TO HART-MAIBUCHER CO. Consignments and Sales to Arrive
THE CLEVELAND GRAIN & MILLING CO. OPERATING FOUR TERMINAL ELEVATORS Mighty Good Consignment Service Ed. K. Shepperd, Manager	WALLACE-GOOD CO. Grain, Stocks, Cotton Operating the James E. Bennett & Co. Wire Room 118, Board of Trade Bldg.	H. E. Kinney Grain Co. COMMISSION—BROKERAGE
THE LEW HILL GRAIN COMPANY G R A I N COMMISSION, BROKERAGE Phone Main 3886		The Bingham Grain Company Receivers and Shippers of G R A I N

WELLER EQUIPMENT

The Better Kind of Grain Handling Machinery
FOR THE LARGE OR SMALL ELEVATOR

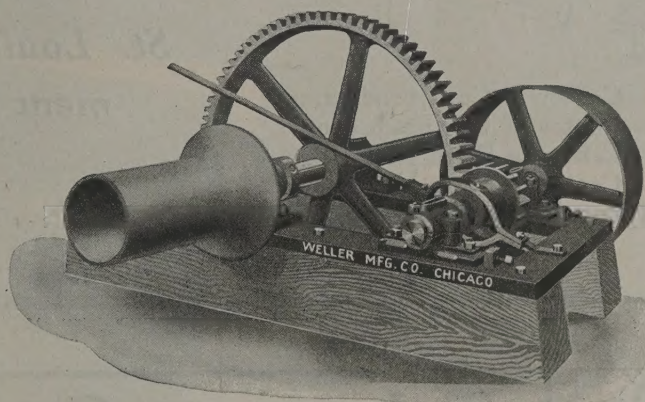


WELLER MARINE LEG

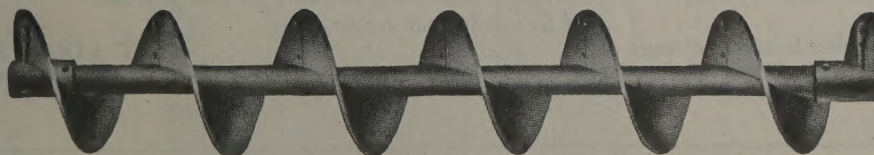
We Make All Types for Unloading Large or Small Boats

WELLER CAR PULLERS

Capacities 2 to 18 Cars. For
Wire or Manila Rope Direct
Connected or For Belt Power.



WELLER SPIRAL CONVEYORS



Cold Rolled Steel Sectional Flights. Wear Long. Evenly Balanced. Run True.
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We Also Make

Aluminum, Brass, Cast Iron, Copper, Galvanized, Monel Metal and Tinned
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Send Us a List of Your Requirements We Will Quote Prices



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Barrel Elevators
Elevator Spouts
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Chain
Sprockets
Truck Dumps
Wagon Dumps
Truck Hoppers
Power Shovels
Car Pullers
Rope Drives
Gears

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Machinery

Weller made products are sold on the basis of quality. Installed in your elevator they will help you to operate at full capacity at the lowest cost for upkeep. Frequent shutdowns and waiting for repairs dissipate your profits.

Your Inquiries and Orders will be Appreciated

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Chicago, Ill.

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NEW YORK

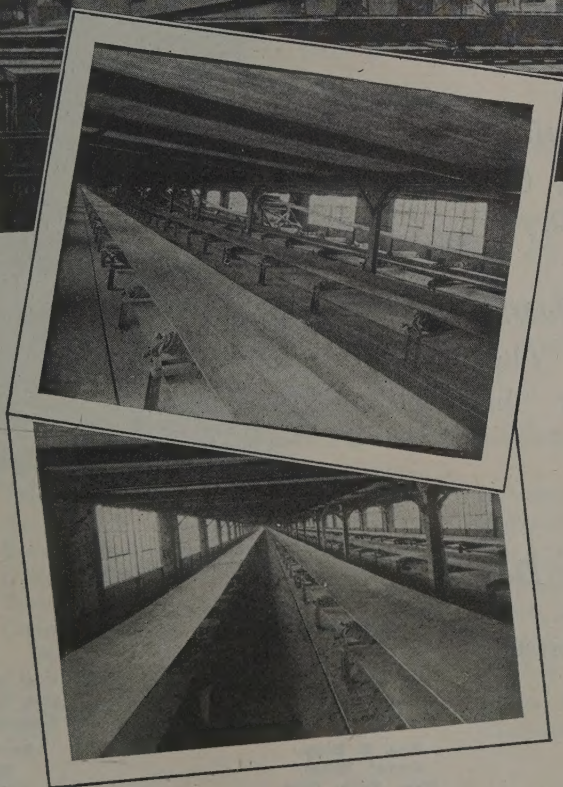
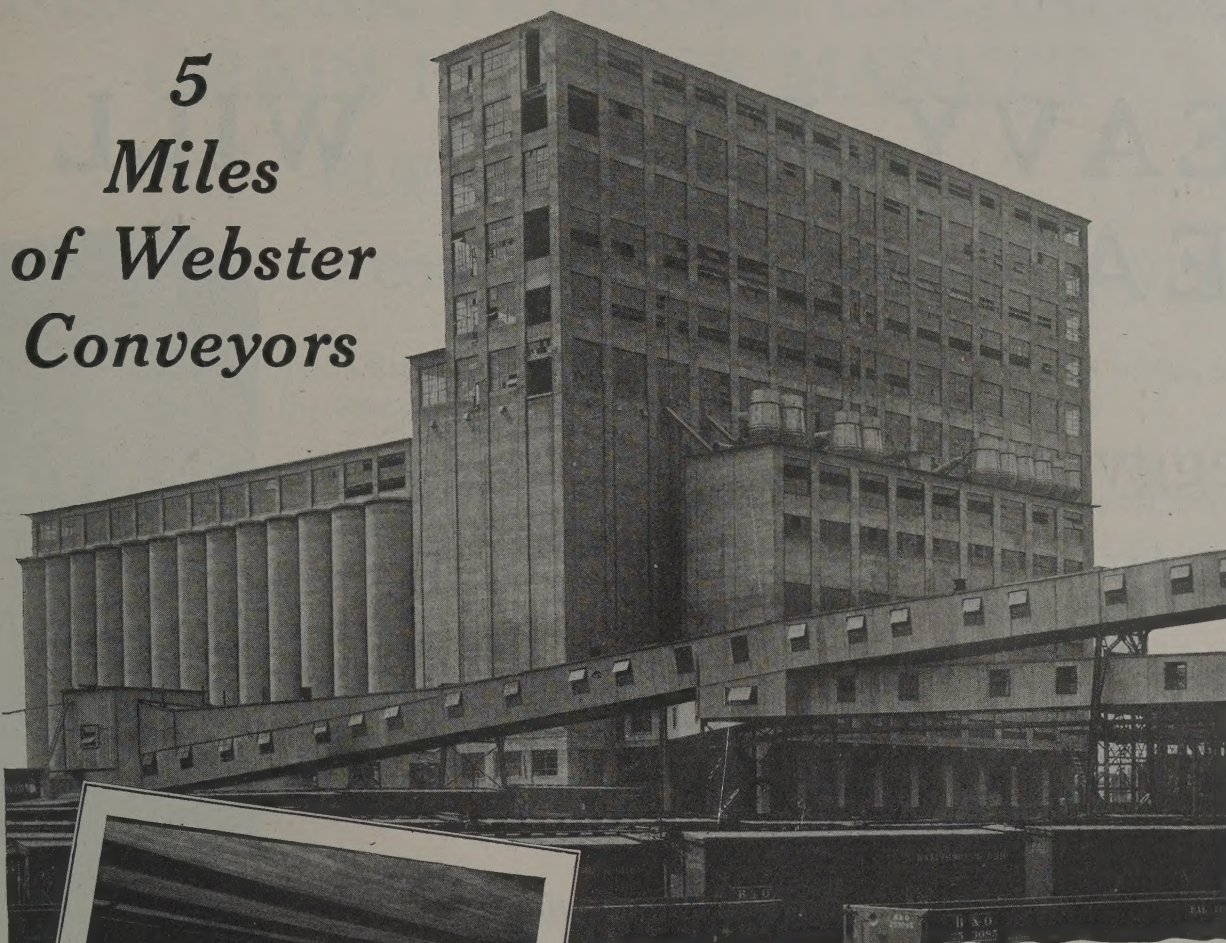
BALTIMORE

BUFFALO

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OMAHA

5 Miles of Webster Conveyors



With a receiving capacity of 32 carloads of grain per hour, this great grain elevator at Locust Point, Baltimore, is probably the most modern and fastest grain handling plant in the world.

4,825 sets of Webster Troughing Carriers are in use in this great plant, making a total conveyor length of five miles. 28,000 pounds of grain are carried per minute at a speed of 800 feet per minute.

These Webster Troughing Carriers are of malleable iron with supporting angles of steel. They are simple and rugged and operate with exceptional smoothness.

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WEBSTER-BRINKLEY CO.
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WEBSTER



"Eureka"

"Invincible"

Grain

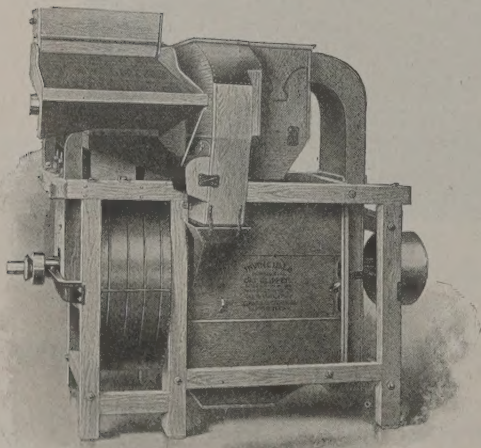
Cleaning

Machinery



HEAVY RAINS WILL MEAN—

Leggy, Sprouted Wheat—
Rusty Oats and Soft Corn



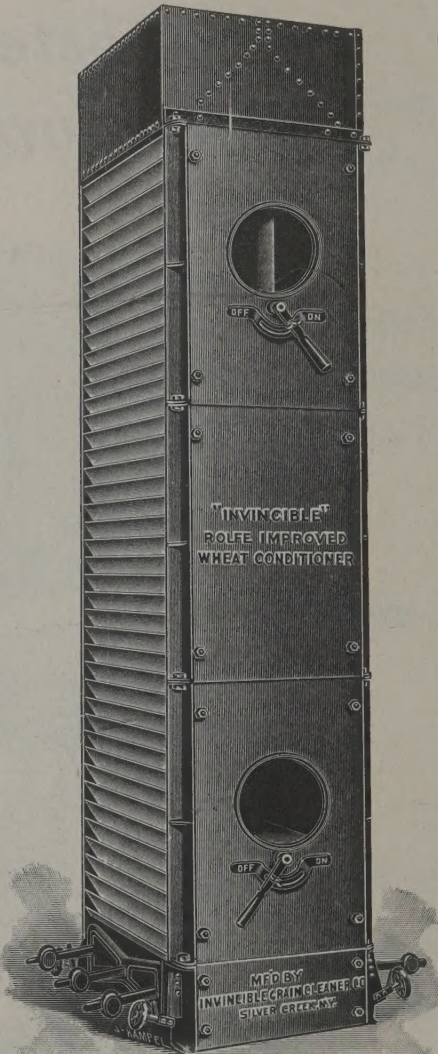
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Corn and Grains:

Drying with the "Invincible-Rolfe" Dryer.

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GRAIN

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MACHINERY



NEW YORK PRODUCE EXCHANGE GRAIN FUTURES MARKET BUFFALO DELIVERY

DOMESTIC WHEAT CONTRACT—BONDED WHEAT CONTRACT

The domestic contract is for the desirable milling grades of United States wheat and the bonded contract is for the standard export grades of Canadian wheat in bond.

The deliveries are at Buffalo, the eastern terminus of the Great Lakes navigation. The movement of wheat through Buffalo each year varies from 125,000,000 bu. to 175,000,000 bu. More than half of the Canadian export movement moves through Buffalo.

At Buffalo the grain is available for distribution within a comparatively few hours for export via any Atlantic port from Montreal to Newport News.

Grain is stored in Buffalo elevators, licensed by the Board of Managers of the New York Produce Exchange, under bond satisfactory to the Exchange. All grain is under the supervision of the New York Produce Exchange Grain Inspection Department. The American grain is inspected under the United States standards and the Canadian grain is delivered on the original Dominion inspection.

Contracts are for 5,000 bu. with smaller amounts traded in. Indemnities are provided for both contracts.

Commissions for non-members are $\frac{1}{4}$ c per bushel for 5,000 bu. lots.

A strongly organized Clearing House has been formed to clear all contracts. This association has a guaranty fund to protect contracts in addition to original and market margins.

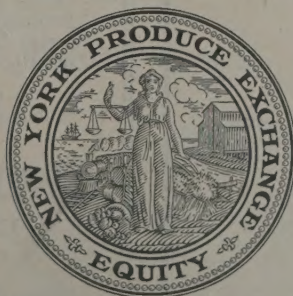
Members of the Clearing House are as follows:

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Betts & Power
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Canada Atlantic Grain Export Co.,
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Guarantees
Service



Guarantees
Safety

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Designers and Builders of

**GRAIN ELEVATORS, FLOUR
MILLS, WAREHOUSES, ETC.**

We Have Specialized in

**CONSTRUCTION IN THIS FIELD FOR
MORE THAN 40 YEARS**

Sketches and Estimates Gladly Furnished

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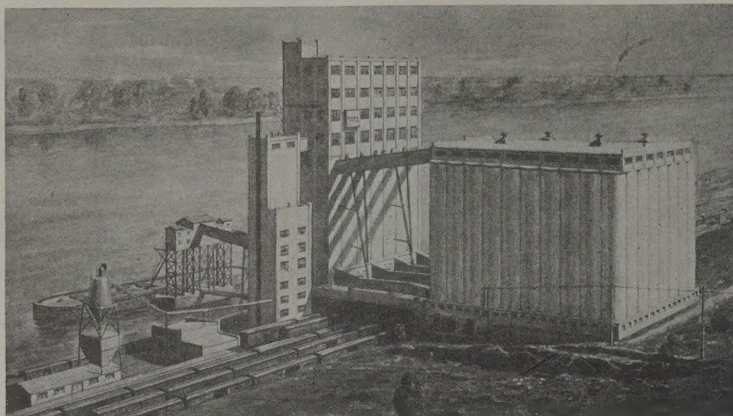
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Missouri Pacific Railroad Co.

2,500,000 Bu. Concrete Grain Elevator

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FOLWELL-AHLSKOG CO.

ENGINEERS AND CONSTRUCTORS

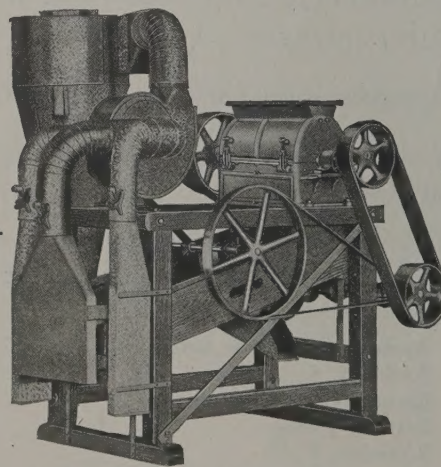
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Chicago, Ill.

Leeson Grain Buffalo Co.

*Always in the market
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**Members: Buffalo Corn Exchange
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*Now the Ball Bearing Top
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Cracking Outfit*

Five machines in one designed to produce steel cut corn (three grades) of unsurpassed quality. Equipped with Monarch Patented Top Screen Cutter, three sieve grader, aspirating legs, metal fan and dust collector. Driven by one main belt, easy to install, takes little space and requires very little power to operate.

A quality machine that makes a quality product and priced to make it a profitable investment for every mill and elevator.

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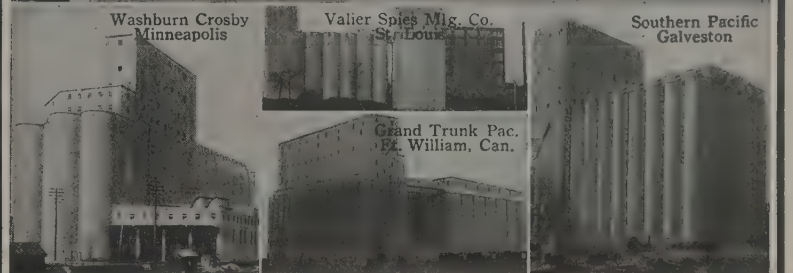
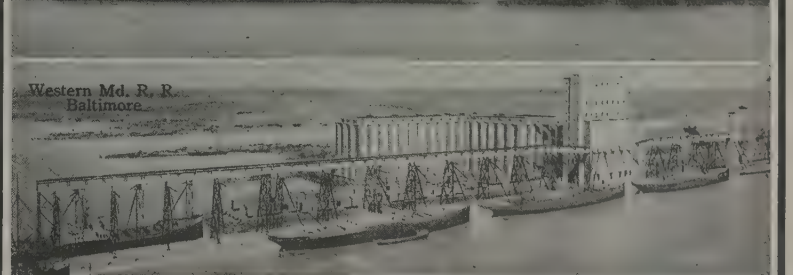
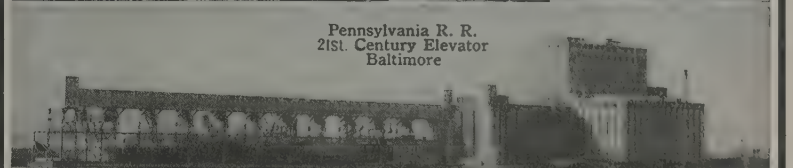
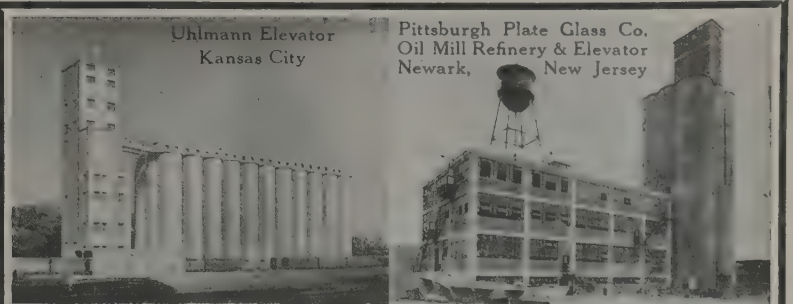
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about the condition of that grain in your bins?

Let us equip your storage with a

Zeleny Thermometer Systemto tell you the exact condition of
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Grain Elevators****W. R. SINKS
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We have built for many of your friends—Eventually we will build for you. Why not now?***L. A. STINSON CO.****Engineers and General Contractors****ELEVATORS, MILLS AND WAREHOUSES
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COMPANY, Ltd.***Engineers**Contractors***MINNEAPOLIS, MINN.
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Manchester, England
Capacity 1,500,000 Bushels
Completed 1914



Buenos Aires Elevator Co.
Buenos Aires, Argentina
Capacity 750,000 Bushels
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John S. Metcalf Co. Grain Elevator Engineers



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Capacity 10,000,000 Bushels
Completed 1920

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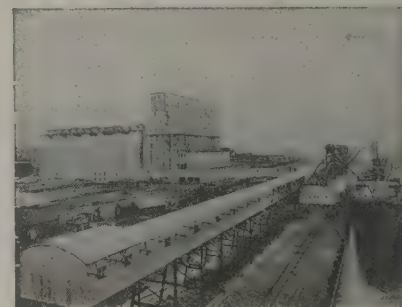
Chicago, Illinois, - - - 111 W. Jackson Blvd.
Montreal, Canada, - 54 St. Francois Xavier Street
Melbourne, Australia, - - 395 Collins Street
Vancouver, B. C., - - - 837 W. Hastings St.



Harbour Commissioners Elevator No. 2
Montreal, Quebec
Capacity 2,600,000 Bushels
Completed 1912



Sydney Terminal Elevator
Sydney, Australia
Capacity 6,400,000 Bushels
Completed 1921

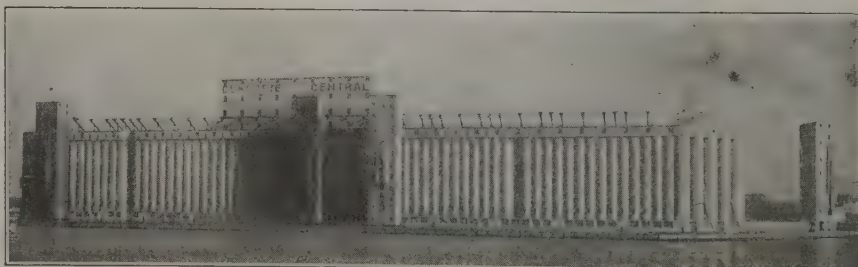


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First Class Work
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CONCRETE CENTRAL, BUFFALO, 4,500,000 Bu.



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Reinforced Concrete and Steel Ore Dock constructed at Superior, Wisconsin, for the Allouez Bay Dock Company. Entirely Fireproof.

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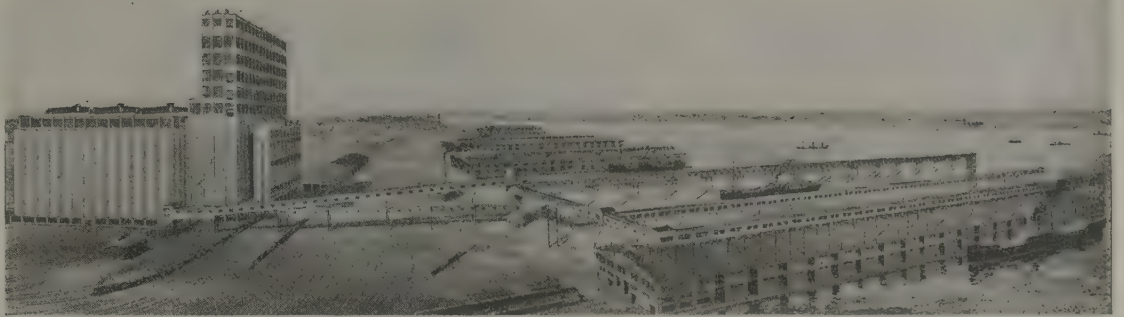
CONSTRUCTED BY

THE **M. A. Long** CO.

Engineers and Constructors
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BUILDING
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Baltimore Office: Ten West Chase Street



*The Most Efficient Grain Handling
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Capacity 3,800,000 Bushels



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Lowers Labor Costs

The Humphrey Employees' Elevator makes your men accomplish more in less time. It saves labor—your highest expense item—and it saves your money.

Its endless belt with steps every 20 feet carries employees up or down—without loss of time or energy and without the expense of an attendant. Write for complete information.

There is Only One Genuine Humphrey Elevator

Humphrey Elevator Co.

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BACON & TISLOW

DESIGNERS OF GRAIN ELEVATORS,
FLOUR MILLS, ETC.

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Indianapolis

WALLS, BINS and GRAIN ELEVATORS

By MILO S. KETCHUM

Second Edition. 556 pp., \$5.00

Design and construction are covered completely in this book. The new edition brings it up to the minute with fresh data, new cuts, and a modern treatment throughout. Over 150 pages were added to the old edition. The new chapters on "Reinforced Concrete" and "Methods of Construction and Cost of Retaining Walls" are especially valuable. It is the standard work on stresses due to granular materials.

MITCHELL BROS. PUBLISHING CO., 431 So. Dearborn St., Chicago, Ill.



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THOSE CONCERNED

Or even casually interested in concrete grain storages notice and usually comment on the accurate alignment, smooth walls, and clean cut appearance of

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We Design and Erect

Send us your inquiries.

POLK GENUNG POLK CO.

FORT BRANCH

INDIANA

HALF A CENTURY

of efficient and satisfactory
Insurance Service is the record of the

MILL MUTUALS

The needs of the Miller and the
Elevator Operator are their specialty.

Represented by

Mutual Fire Prevention Bureau

230 East Ohio Street

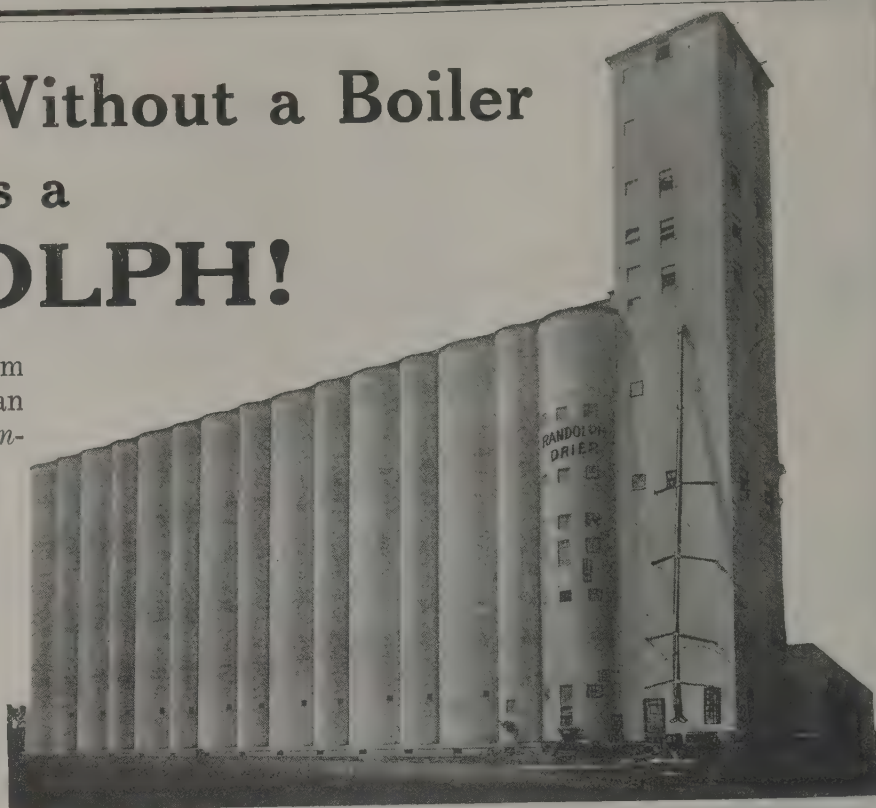
Chicago, Illinois

The Grain Drier Without a Boiler

That's a RANDOLPH!

This is the drier that begins where the steam drier left off. If you doubt this ask the man who has used steam driers and now uses *Randolph Direct Heat Driers*.

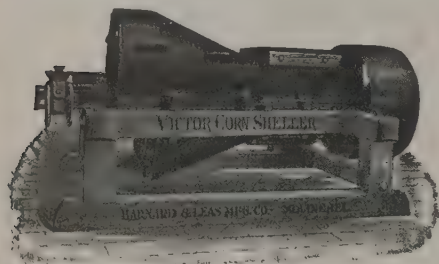
This elevator is equipped with a thousand bushel per hour Randolph Direct Heat Grain Drier which is installed in a tank next to the working house. There is room for 6000 bushels of damp grain above the drier and 6000 bushels of dried grain below the cooler—underneath the cooler is the furnace room. This tank makes a complete drying unit operated independently of the working house.



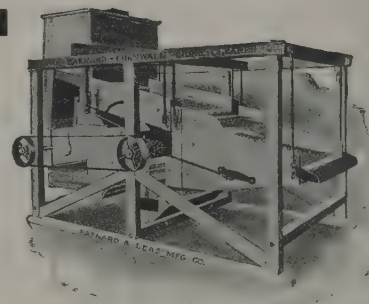
The Early & Daniel Co. million bushel elevator at Indianapolis, Indiana.

Manufactured by

O. W. RANDOLPH COMPANY
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A FEW SUGGESTIONS

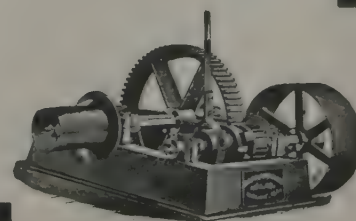
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Corn Cleaners
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Dust Collectors
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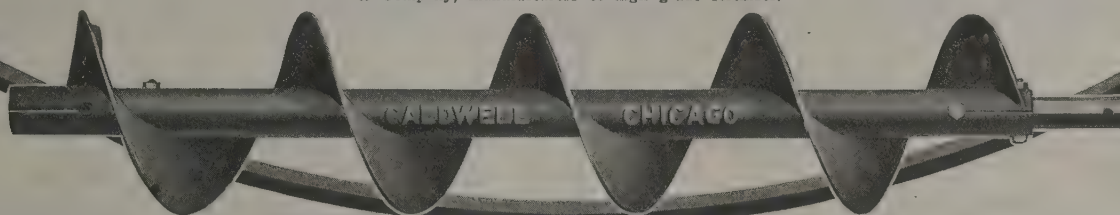
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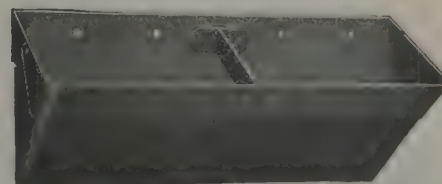


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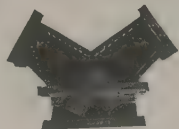
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Liberty Mills, San Antonio, Texas.

The above elevators built by

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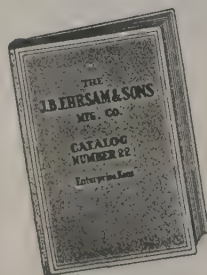
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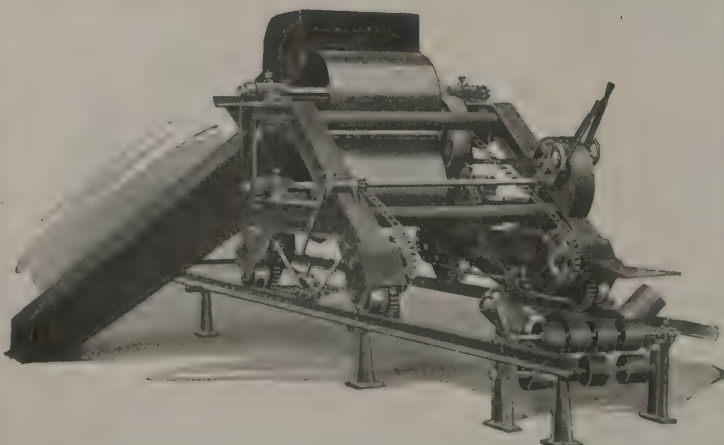
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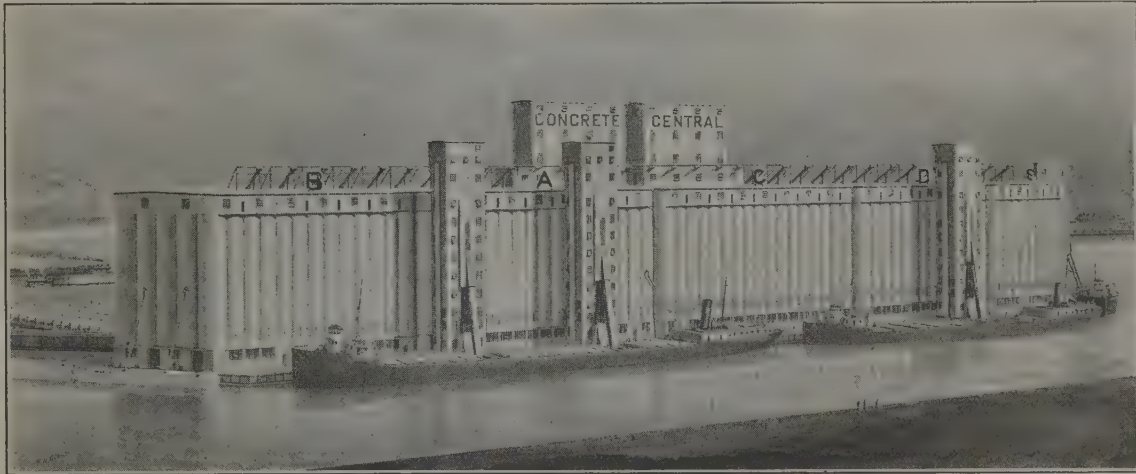
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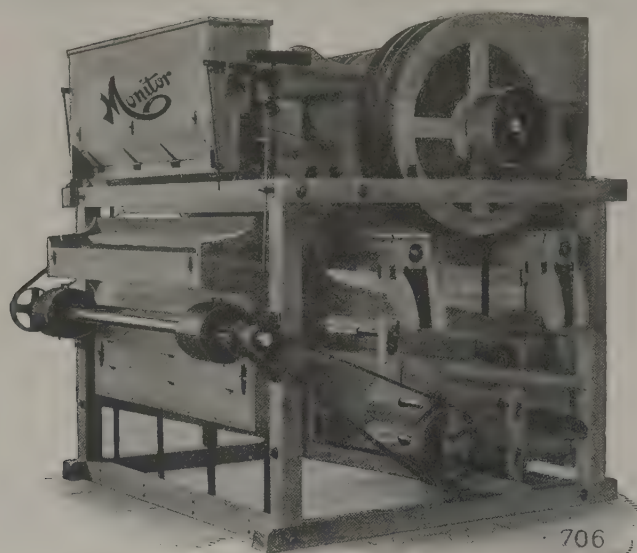
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Established in 1882.



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Established in 1882.

VOL. XLV

CHICAGO, ILLINOIS, NOVEMBER 15, 1926

NO. 5

Thanksgiving Season Marks Successful Close of First Six Months' Operation At New Enid Elevator

Faultless Design and Sturdy Equipment Enable Northern Oklahoma Plant to Handle with Ease Rush of Grain That Started Immediately After Its Completion Early This Summer

SCARCELY had the last piece of scaffolding been pulled down from the new plant of the Enid Terminal Elevator Company, Inc., at Enid, Okla., when good Hard wheat from the nearby grain lands was beating a machine gun-like tattoo on the inside of the new spouts. The group of 13 electric motors, belying the superstition attached to that number, all responded to the switch, and the 100,000-bushel per 10-hour day receiving capacity, as well as the 15,000-bushel per hour shipping capacity, were proven to be conservative ratings. The motors referred to, were supplied by Allis Chalmers, Milwaukee, Wis., and in combination, give a total horsepower of 435.

The first wheat that was elevated by the extra large steel buckets to christen the 55 bins in the Enid structure on June 1, is by this time ground into flour and sold, or is yet part of the visible supply of grain in some foreign port, for Cecil E. Munn, president of the company, directs a dual business. Domestic milling wheat is a specialty of the company as well as its regular export trade. There has been a fairly live demand in both branches of the firm's trade thus far this year, so the turnover of grain has been comparatively rapid.

The 550,000-bushel storage capacity of this new southwestern wheat reservoir is divided into 26 bins, located in the head house, and into 29 bins in the storage annex. The entire structure, erected by the Jones-Hettelsater Construction Company, of Kansas City, Mo., is of reinforced concrete. No detail in the building or furnishing has been overlooked. Though the construction was rapid, nothing was slighted and the model design and interior layout is to be used in time as a pattern for a twin storage plant flanking the head house on the other

side. A future thermometer system is provided for.

The destinies of this Enid corporation are in the hands of officials with well established connections in the southwestern grain trade. Cecil E. Munn, before mentioned, is president, and general manager of the company's affairs. Julius H. Pearlstone is vice-president and A. A. Hart is secretary and treasurer. Wheat is the main line handled, but the heavy volume of the bread grain taken in does not exclude a sizable business in coarse grains. Barley, kafir, and milo corn, as well as rye and oats are

Separator, driven by one of the individual electric motors. All of the machines are separately motored, making for a desirable operative flexibility which has other points besides power economy. Link Belt Silent Chain Drive is used for power transmission. The J. B. Ehrsam & Sons Manufacturing Company furnished the grain handling machinery for the Enid Terminal Elevator Company, from its headquarters in Enterprise, Kan.

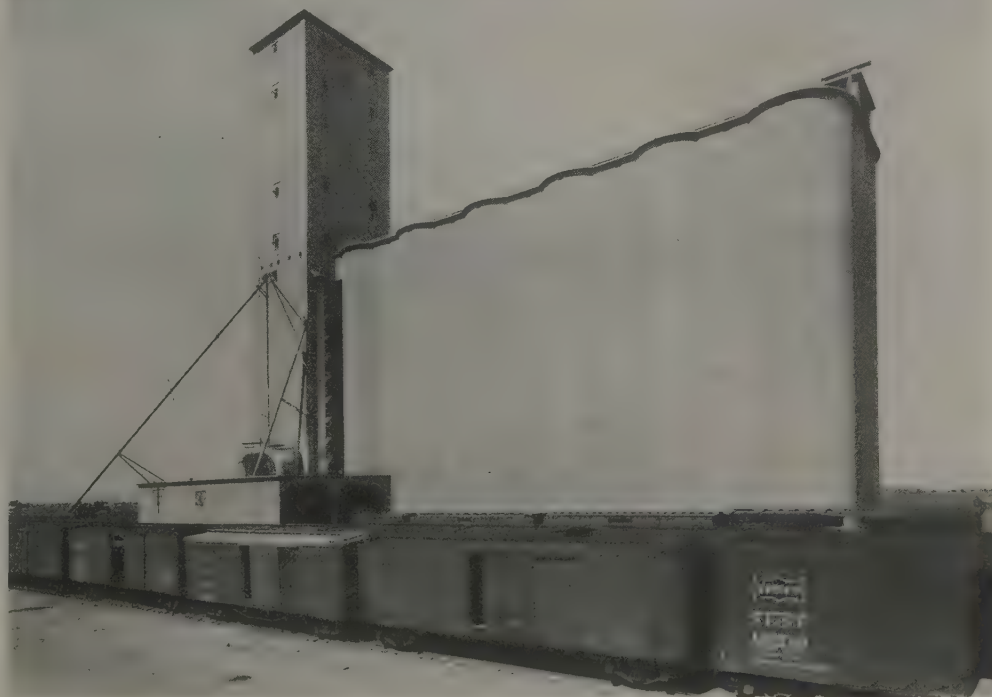
Several Oklahoma cities over the 10,000-population class showed a decrease in size between the

last two Federal census reports. Not so with Enid, Okla. The 1925 official census gives it a population of 18,150 which represents a growth of over 10 per cent in five years. Much of the city's prosperity is due directly to the grain merchandising so aggressively carried on there. It is this which has made Enid the sixth largest city in the Sooner State. Fortune, it is true, favors the Enid grain trade, as it lies in the midst of some of the richest grain land in America, the northern central district of Oklahoma, and as Enid is the county seat of Garfield County, it is a natural center for all manner of activities.

Three rail lines serve Enid. The plant of the Enid Terminal Elevator Company, Inc., is on the Frisco tracks, and

switching facilities are, of course, provided for connection with the Rock Island Lines and the Santa Fe Railroad.

Farmers, grain men, and millers around Enid, Okla., this Thanksgiving season should enjoy reflecting on the crop year now closed, for it has meant for them a harvest not of bumper proportions, but of generous proportions at that. The quality has shown some improvement over previous years, and the marketing facilities for the grain



ELEVATOR OF THE ENID TERMINAL ELEVATOR COMPANY, INC., ENID, OKLA.

received almost daily at the Enid Terminal Elevator.

Two double, automatic power shovels are parts of the equipment. Grain reception is checked by two 2,500-bushel hopper scales. The cleaning capacity of the plant fully meets the heavy requirements of the house by virtue of the 6,000-bushel Monitor Cleaner, made by the Huntley Manufacturing Company, of Brocton, N. Y. A 1,500-bushel Monitor Clipper is also installed. Another important unit of the equipment is the 300-bushel Carter Disc

have been increased to a point where there is much less congestion than in former years. And the crop for next year is well started. C. F. Prouty, secretary of the Oklahoma Grain Dealers Association, recently returned from a field trip, has made the following report: "Taking the main line of the Rock Island, starting at the Kansas line and going through Enid and Kingfisher, to El Reno, thence west to Clinton, and north through Alva to the Kansas line, wheat seeding is completed." New elevators, such as the one at Enid, have stimulated growers to give careful attention to seeding, and great things are expected from the 1927 harvest.

LAST DAY OF GRACE

The Canadian Board of Railway Commissioners has issued an order, directing the Canadian National and the Canadian Pacific Railways to amend their grain tariffs, not later than November 15. The order affects rates on wheat, oats, barley, rye, grain screenings, and grain refuse, bound for mills, malt houses, or for storage. Some of the new schedules have been decided upon, while others are still hanging fire. Flaxseed products are also to have new rates.

RUPERT'S SHIPS COME IN

Canada added a new grain port to her maritime facilities the last week in October when operation of the Prince Rupert B. C. Government elevator, was begun. The capacity is 50,000 bushels per hour. If boats enough can be attracted to the northern port, the operation will soon show a fair return on the investment, it is said. The first shipments are going to Europe via the Panama Canal but vast tonnages are also to be dispatched to the Orient. *Aden Maru*, flying the sunrise flag of Japan, was the first steamship to take in grain from a tieup at the Prince Rupert docks, and many more vessels from the islands are on their way.

REFUND TO TEXAS DEALERS

When grain is sold guaranteed to arrive at destination in good condition, and arrives at destination in bad condition, it is the seller's duty to promptly refund to the buyer the amount of money the buyer has advanced on the shipment, if the buyer so requests. That is the conclusion of the G. D. N. A. arbitrators appointed to settle the difference of opinion arising between Davison & Co., of Galveston, Texas, and the Manning Grain Company (defendant) of Kansas City, Mo.

The case arose out of the sale of two cars of ear corn by the Kansas firm to the Texas buyers, the first of this year. The total amount of the claim was close to \$600. This included the plaintiff's loss on one car, the cost of its replacement, the cost of "buying in" another car, and the clearing fees on the plaintiff's draft involved in the transaction. Only the first item of the claim, amounting to \$528.72, was allowed by E. W. Crouch, E. Wilkinson, and Tom F. Connally, arbitrators.

GATHERS BORER DATA

Everything but the finger prints have been recorded now, of one of the grain world's arch criminals, the European corn borer. H. F. Dietz, assistant state entomologist at Indianapolis, Ind., terms the borer as "the most serious of the insect pests which attack corn", and then gives this minute description:

In the adult stage the European corn borer is a small moth, measuring about an inch from the tip of one wing to the tip of the other. The general color of the female is tan, marked with darker wavy lines; whereas the male moth is a darker color marked with lighter lines. It is in the adult stage that the insect generally spreads, swept on in its flight by the prevailing winds.

There are a large number of small and harmless moths in Indiana which might readily be mistaken for those of the European corn borer by the uninitiated, so that identification by the layman is unreliable.

After mating the female moths lay small whitish disc-shaped eggs in irregular clusters containing

from three to 40 eggs. The average number is 20. The size of the cluster is about one-eighth of an inch. These clusters are laid mostly on the under sides of the leaves of growing corn. Eggs of the cluster overlap each other, like shingles on a roof. Each female during life may lay from 250 to 1,200 eggs, with an average of 400 eggs.

Minute caterpillars hatch from the eggs. They are about one-sixteenth of an inch long and immediately begin feeding on the corn plants, producing injuries that depend largely on where and when the moths laid the eggs. Full grown, the caterpillars are almost an inch long, cylindrical in shape, smooth and with a dark brown head.

Their general color is a dirty white, pale brown or sometimes pink. The body bears a row of dark brown spots across each segment and throughout its length bears a distinct pinkish or brownish line along the middle of the back.

It is by the injury produced, not by the caterpillar producing it, that one can most readily identify the European corn borer, concludes the entomologist.

BEAN SOURCE CUT OFF

Curtalement of grain supplies has caused President Calles to sign a decree prohibiting the export of all classes of Mexican beans until the end of August, 1927. Local conditions, including the disastrous floods and other agricultural troubles, have so affected the crop that the supplies are likely to be sufficient only for home consumption. The authorities consider it imperative to prevent any rise in the price of a basic commodity. The decree will affect the Spanish and American markets where most of the exported Mexican beans are sold. Were the beans exported, Mexicans say, more grain would have to be shipped in as a substitute food.

PRESSING DEMAND FOR MODERN CONVEYORS

By January 1, 1927, or possibly a week before, the new automatic grain conveyor system being installed for the Port of Halifax, Nova Scotia, will be completed. Two additional endless belt conveyors from the elevator erected at the Ocean Terminal last year, are among the most important of the improvements now under way. They are the direct result of very strong protests registered by shipping interests and by the Canadian Wheat Pool representatives, regarding lack of accommodation for the amount of grain which would be directed to Halifax were the proper facilities provided. Only one conveyor has heretofore served the 1,000,000-bushel elevator in question. The crowded situation resulting has kept Halifax out of the running for its fair proportion of grain.

The Port of St. John, New Brunswick, partly because of better grain handling equipment last year shipped eight times the volume that the neighboring port of Halifax did.

ILLINOIS CORN QUARTER OFF

Illinois, long known as one of the Union's chief corn producing states, has a corn crop this year nearly one-fourth less than that of 1925. The state's production last year amounted to 388,080,000 bushels, while the Federal forecast this year is only 301,013,000 bushels. Oats will also show reduced production. The 1925 figures were 151,168,000 bushels, and the crop this year is estimated at 139,522,000.

A slight increase is shown in the forecast for barley, the last year's figures being 8,910,000 bushels, as compared with 10,122,000 this year. Winter wheat will make a better showing this year, with an estimated production of 36,778,000 bushels, as compared with 34,960,000 last year. Spring wheat production in the state will be nearly double that of last year. The forecast places the figure at 1,691,000 bushels, as against 920,000 last year.

Rye will probably better than its last year's figure of 1,242,000 bushels. The estimate this year is 1,395,000. A similar increase is shown in the buckwheat production, with the 1925 figures at 126,000 bushels and this year's crop estimated at 147,000.

BLUE AND GILHAMS' ELEVATOR

By C. HYDE

One of the oldest grain elevators in the state of Michigan, is that of Blue & Gilhams, in the thriving factory town of Sturgis. It is on the New York Central Railroad, near North Ottawa Street. When the three-story frame building was erected in 1850, the first railroad was being put through St. Joseph County. The line, incidentally, was then known as the Michigan Southern. The storage house is 80 by 30 feet, with a grain capacity of 14,000 bushels, divided into nine bins.

Messrs. Blue and Gilhams have owned the business for 20 years as partners, handling wheat, rye,



BLUE & GILHAMS' ELEVATOR, STURGIS, MICH.

corn, oats and buckwheat. In the matter of sidelines, the managers do a big business in feeds, salt and seeds, as well as coal.

Their attrition mill has a capacity of 2,000 bushels per hour of grain which first is run through cleaners. Electric current from the Sturgis Central Station furnishes the elevator with both power and light. The power is transmitted to the various operating units by standard belt drives. One 30-horsepower motor is used and one with 10-horsepower rating. The scale equipment is furnished by Fairbanks.

Blue & Gilhams, elevator operators are now established as the builders of a progressive and reliable enterprise in their city, doing business on the square, as leading citizens of this rapidly growing Wolverine city which now has 15 factories and many smaller shops.

Two trucks are used by the firm, and long distance deliveries are a specialty of the elevator service. Coal, the partners report, is their best paying sideline, although the salt, feed, and seed businesses are all important. The two-ton trucks are used for all lines handled, whenever the trade demands it.



KLINGER LAKE, MICH., ELEVATOR OF BLUE & GILHAMS

Much of the sideline merchandise, however, is loaded right into the buyer's truck or wagon in the elevator driveway.

Besides the Sturgis elevator, Blue & Gilhams own a small storage house about six miles westward from that city, at the Klinger Lake station. This elevator is as old as the large one, and this firm has owned it for 20 years. Its holding capacity of 6,000 bushels is used mostly for wheat and rye, which are weighed in on Fairbanks Scales.

Sturgis has a population of over 6,000 and is in the heart of thriving grain belt. The city is only a few miles from Indiana, St. Joseph County being one of the southernmost tier of counties in Michigan.

MORE STORAGE FOR HOUSTON

For Saturday, December 4, the port commissioners of Houston, Texas, have called an election at which a proposed bond issue of \$1,500,000 to be used in improving port facilities will be submitted. The erection of a large grain elevator is part of the plan. The commissioners had previously stated the improvements could be made for \$1,000,000, but a revision of the first estimate was deemed necessary. L. M. Brin, commissioner of the Bureau of Foreign and Domestic Commerce at Houston, has lately returned from a three-year stay in Mexico City, and is optimistic over the increased trade possibility with the country south of the Rio Grande. It is the desire of the port commissioners to provide additional facilities so that Houston exporters may take full advantage of the improving situation.

CASTLETON HOUSE HAS NEW MANAGEMENT

The photograph from which the illustration below is made shows the Castleton, Ind., elevator recently acquired by H. E. Kinney, of Indianapolis, Ind. Many elevators are projected at country stations without any very definite idea of the position they are to occupy in their community, beyond being a place to which farmers may bring their grain. Many times the management has only a vague conception of what an elevator might be if its full utility were realized, and this is liable to mark the difference between a success and a failure, or at best only a partial success.

However, the Castleton house is one which has a definite need to fill and which has a management well aware of the requirements and entirely able to fulfill the obligation to the community. The physical property being in good condition, it only remains for the present owner to do the rest.

The elevator has a capacity of 16,000 bushels and is located on the Nickel Plate Railroad. Some improvements are now in progress, and one of the



H. E. KINNEY'S CASTLETON (IND.) ELEVATOR

new features will be the installation of direct motors to all equipment, making the plant electrically driven throughout, which will, of course, lessen the fire hazard.

The plant is equipped to clean seeds and seed wheat and also to do custom grinding, besides grinding feeds for the trade. Fairbanks Automatic Scales are used throughout, and a large well protected Fairbanks Platform Scale is used for weighing coal.

Two large warehouses, 30 by 60 feet and 40 by 40 feet, are used for storage purposes. The elevator is exceptionally well planned for a small house and is situated in a good grain section. Mr. Kinney is also connected with elevators at Fountaintown and Morristown, Ind.

FIRST AID FOR FIRE

Where water barrels, pails, or hand pump extinguishers are located in parts of elevators which are subject to freezing temperatures, the use of calcium chloride to lower the freezing point of their contents, is effective. The following table shows approximately the temperatures at which water will

freeze when calcium chloride (commercial, 75 per cent) is added in the proportions shown to depress the freezing point:

Approx. Freezing Temp. Degrees Fahrenheit.	Water	To make 2½ Gal. Anti-freeze. Solution		
		Calcium Chloride	Specific Gravity	Degrees Baume
10°	.....2 Gals. 1 qt.	5 lbs.	1.139	17.7
Zero	.....2 Gals. 1 pt.	6½ lbs.	1.175	21.6
10° below	.2 Gallons	7 lbs. 6 oz.	1.205	24.7
20° below	.2 Gallons	8 lbs. 6 oz.	1.228	26.9
30° below	.2 Gallons	9 lbs. 2 oz.	1.246	28.6
40° below	.2 Gallons	10 lbs.	1.263	30.2

The strength of the solution obtained may be tested by using a hydrometer to determine the specific gravity. This is necessary in the case of a solution which has been standing a long time, or which has been made from calcium chloride not freshly opened. About a tablespoonful of lime added to each pail will prevent acidity and consequent corrosion.

Close fitting covers on calcium chloride solution containers will help to preserve the solution as mixed. The inside of all containers to be used for calcium chloride solution should be coated with asphaltum paint.

MUSSOLINI'S WHEAT PROSPERS

The Italian wheat production figure has been increased to 218,623,000 bushels according to a cable received by the Department of Agriculture. The August forecast was placed at 205,285,000 bushels in comparison with the large crop of 240,844,000 last year. Rye and barley show slight decreases from the previous forecast while the oats figure has not changed. The first corn estimate of 118,104,000 bushels shows an increase of about 12,000,000 bushels over last year. The rice estimate is above the forecast and above the estimate for last year.

DOCKAGE CASE ENDED

Following a hearing in Washington, D. C., an order of the Board of Grain Appeals in Chicago, Ill., has been rescinded, to permit the use of a certain grain cleaning machine in measuring the dockage of wheat. Minnesota farmers declare they are gainers to the extent of \$1,000,000 and northwestern farmers claim an equal saving from this new dockage decision of Secretary Jardine.

About the middle of August the order forbidding the use of the machine went into effect. The machine had been in use in state and Federal grain inspection offices since the autumn of 1924. It had superseded a simpler and less thorough machine. The other machine increases the amount of dockage by taking out wild peas, cockle, hulled oats, wild rose seed and weed seeds, the result being the amount of inseparable seeds in wheat was reduced and the grain was given a higher grading. Wheat which has in it inseparable foreign matter loses from one to three grades.

The machine the farmers want does on a small scale what a modern separator machine does on a large scale in the mills and terminal elevators.

A MODERN DAKOTA ELEVATOR

It is not the acreage which determines the importance of a state in the general scheme of things. Empires which have dominated the world have been smaller in area than many of our western states. Those old world nations may have been self-supporting in their cereal production with an acreage far less than is present, actually or potentially, in some of our sparsely settled commonwealths, and yet many who are engaged in the grain trade pay but little attention to the grain output of such states in the West, because their yield is such a small proportion of that of the country as a whole.

Up in Stanley, N. D., is the elevator of the Nelson Grain Company, owned by N. G. Nelson and G. A. Wendelin. The structure is of cribbed construction and measures 32 by 37 feet. It is located on the Great Northern Railroad and has excellent rail connections. The illustration on this page, made from a photograph of the elevator, gives an excel-

lent idea of the general appearance of this house.

The storage capacity of the house is 40,000 bushels and this is distributed among 22 bins. The receiving capacity is 3,500 bushels and the shipping capacity is the same. The facilities for cleaning grain give a cleaning capacity of 300 bushels. This is afforded by a Carter Disc Machine.

Electricity is used both for operating power and for lighting, and the current is furnished by central station service. Four Fairbanks-Morse Motors are used and they have an aggregate of 22 horsepower. Belt and chain drives are used. Two scales have been provided—a 10-bushel automatic scale and a 16-foot Fairbanks Platform Scale. Fire buckets and chemical extinguishers safeguard the plant against fire.

Wheat, rye, flax, oats and barley are the chief grains handled, and approximately 100,000 bushels pass through the house in the course of the year.



NELSON GRAIN COMPANY'S ELEVATOR, STANLEY, N. D.

Coal is carried as a sideline and the company has built up a good sized business in this commodity as well as the various kinds of grain handled.

The Nelson Grain Company was started by N. G. Nelson in 1911. In 1918 G. A. Wendelin was taken as a partner. Fire destroyed the old elevator December 24, 1925, and the present structure is a thoroughly modern unit which has latest machinery and up-to-date construction.

WHY STATE OWNED ELEVATORS DO NOT PAY

By ELMER M. HILL

Charges of corruption in the management and operation of grain elevators owned by the State of New York at Oswego and Gowanus Bay have been made by Representative Ogden Mills of New York state against Governor Alfred E. Smith. Mr. Mills calls specific attention to the payroll of the Gowanus Bay elevator tending to show that employees have worked from 20 to 23½ hours in a single day.

"Governor Miller refused to approve an appropriation for a grain elevator at Oswego on the ground that members of the Oswego Chamber of Commerce agreed with him that it would not be worth while to construct grain elevators at that port until the Welland Canal had been sufficiently deepened by the Canadian Government to permit the passage of large lake freighters," says Representative Mills. "When Smith returned to Albany as governor in 1923, steps were taken for the completion of the elevator project. The elevator was completed in the summer of 1925 at a cost of \$1,695,000 and was ready to receive grain July 1, 1925.

"The state waited for business all summer with 20 men on the state payroll at the elevator. Then

the state proceeded to do a little shopping. They went to Canada and by cutting rates induced the Winnipeg pool to store grain in the Oswego Elevator for the winter months. The elevator was used as a mere storage warehouse. Four or five men were all that should have been necessary to watch an elevator after it is sealed down but the Oswego grain elevator carried on its payroll, one man at \$3,200, another at \$3,000, another at \$2,900, and 17 other employees. Here were 20 men watching this glorified silo throughout the winter.

"The elevator, of course, should not have been built. Here is another example of how the state conducts a business enterprise. Look at the grain elevator at Gowanus Bay. That cost \$2,500,000 and according to the state superintendent of public works it has been a financial failure. It cost \$98,000 last year in interest charges; \$160,000 to operate and it had a payroll of \$128,000. It is not the amount of the payroll to which the public should object but to the character of the payroll.

"The Gowanus payroll indicates that men have been paid for 20 to 23½ hours work a day. Over-time has been running from \$1500 to \$2000 a month. J, an electrician, was paid \$22 for 22 hours work on January 5; \$22 for 22 hours on January 7; \$22 for 22 hours on January 11; \$22 for 22 hours on January 21 and \$22 for 22 hours on January 31. In February J worked 22 hours every other day and in between he worked 11 hours. Slack seasons and holidays did not stop this tireless worker. He

ing 60 by 84 feet, and the elevator measures 24 by 24 feet on the ground level. It is situated adjacent to the right of way of the local electric line, at Royal Oak Station, and has adequate siding facilities connected with this means of transportation. Eleven bins are provided in the elevator.

The elevator is of concrete and wooden construction, and has a capacity making it possible to handle 20,000 bushels of grain at a time. The receiving capacity is 500 bushels per hour and the cleaning capacity is 300 bushels per hour. One Monitor Grain Cleaner has been provided by the Huntley Manufacturing Company, now located at Brocton, N. Y.

Two feed grinders are operated by the company, giving a grinding capacity of three tons per hour. Electricity is used both for power and lighting, and one 35-horsepower motor has been provided. A belt drive is used. A hopper scale affords the necessary means of weighing and handling. In addition to the equipment already mentioned, there is a corn cracker and grader, an oat huller and a large feed mixer.

All grains and poultry feeds are handled. The company has a private spur track with plenty of room for five cars and the capacity of the elevator makes it possible to handle from three to five cars of bulk grain daily. A good stock is carried of grain, flour, rolled oats, bran, shorts, middlings, cracked corn, cornmeal, hay, straw, roots and all poultry feeds. By installing up-to-date grinding

pal grains quality is below average. Domestic grain has been slow in coming on to market this year and farmers are said to be holding off for better prices.

* * *

Some of the smaller mills in China are reported to be curtailing production, and the wheat supply in Shanghai is running low. The larger mills were said to have had about two months' supply of wheat on hand at the beginning of November. Arrivals of Chinese wheat are slow and the increase in flour prices as a result of the higher silver exchange, will make wheat imports from the United States probable.

* * *

In commenting on "Crop Prospects" in *Foreign Crops and Markets*, the Department of Agriculture recently said, in part:

The visible movement of the present wheat crop, which is approximately 25 per cent larger than that of last year, is reflected in greater receipts at markets, increased visible supply, greater consumption by domestic mills and much heavier exports. During the first quarter of this season, receipts at primary markets exceeded last year's movement by 28 per cent with receipts in September falling below those of September, 1925, because of the smaller Spring wheat crop. The accumulation in commercial visible supply between July 1 and October 1 has been 70,000,000 bushels compared with an accumulation of 28,000,000 bushels during the same period a year ago. Merchant mills appear to have ground 12 per cent more than last year, while exports during the quarter have already exceeded the total wheat grain exported the past year. The export movement has been largely of Hard and Soft Winter wheat, these two classes comprising about 85 per cent of the wheat exported as grain (during July and August).

* * *

Exports of wheat, including flour, to October 16 have amounted to about 97,000,000 bushels against 41,000,000 bushels last year, an increase of 136 per cent. Of wheat alone, 34,000,000 bushels have been shipped out against 27,000,000 last year. Of this amount, Italy has taken eight times as much as last year, the United Kingdom four times as much, and other European countries three and one half times as much as last year. Europe alone has taken two-thirds of the whole amount exported. Conditions this year have been favorable for the early crop movement in the United States, and it is apparent that this year's crop is moving with unusual rapidity. Low stocks in many European countries and some delay in the Canadian movement have helped to cause a more rapid movement of wheat from the southwestern part of the United States.

* * *

Increases over the first, or September, estimates of all crops in Argentina are shown in the second, or October, estimates reported by the International Institute of Agriculture. The wheat figure, 19,275,000 acres, which in the first estimate was below last year, is now slightly above 1925; and flaxseed is put at 6,672,000 acres against a final figure for 1925 of 6,201,000 acres. All other crops are above last year except oats.

* * *

France will refund to wheat importers 6.3 cents out of the present tariff of 14.3 cents per bushel to prevent increased bread prices, according to a cable from the American agricultural commissioner at Berlin. The refund will prevent the tariff from having much effect upon French wheat imports.

* * *

Rye production in Germany is estimated to be 7 per cent below last year, and it is thought that this smaller supply, together with reductions in Poland and other countries, has been the cause of the change in the relative wheat and rye price situation as compared with last year.

* * *

If present favorable reports materialize in the Southern Hemisphere (according to the Department of Agriculture), the total wheat crop will probably be as large or larger than last year. The corn situation may be changed when an estimate becomes available for the Argentine crop. Production of wheat and oats is above the pre-war average (1909-13), corn and barley show little change from pre-war, and rye is now being produced in smaller quantities than before the war.



WAREHOUSE AND ELEVATOR OF FOWLER BROS. GRAIN COMPANY, LTD., BURNABY, B. C.

worked 22 hours on Lincoln's birthday and received \$22.

"Here is another tireless worker, X, who has been working 22 hours a day and a machinist worked 50 hours in 3 days. A foreman worked 72 hours out of 96. A helper worked 23 hours out of 24 and a mechanic worked 35½ hours out of 36. Surely New York or Brooklyn does not produce men of such unusual endurance but these figures are taken off the payroll of the Gowanus Bay grain elevator under state ownership and operation."

BROTHERS OPERATE CANADIAN GRAIN CONCERN

There is, fortunately or unfortunately, no privileged road in the grain business. Successful operation exacts of the co-operative enterprise no less rigorous adherence to prescribed restrictions and limitations than it requires of the independent; and a failure to observe them results no less grievously to the one than to the other. Personal initiative and effort stimulated to their best by a sense of responsibility are among the leading factors in putting an elevator's management on a paying basis.

Among those who operate elevators and deal extensively in feeds in Canada is Fowler Bros. Grain Company, Ltd., having headquarters at 2307 Royal Oak Avenue, Burnaby, B. C. The main building, store and warehouse occupy a ground area measur-

ing 60 by 84 feet, and the elevator measures 24 by 24 feet on the ground level. It is situated adjacent to the right of way of the local electric line, at Royal Oak Station, and has adequate siding facilities connected with this means of transportation. Eleven bins are provided in the elevator.

There are three brothers contributing to the service rendered by Fowler Bros. Grain Company, Ltd., at Vancouver—G. F. Fowler, who has had a lifetime of experience in stock feeding, W. G. Fowler, with many years of experience in poultry raising, and K. O. Fowler, mechanic and superintendent of works. Then there are three brothers growing the company's coarse grains on their own farms at Waskatenau, Alta.

THE GRAIN WORLD

French wheat import requirements are estimated at 44,000,000 to 55,000,000 bushels, according to C. C. Haas, agricultural commissioner at Berlin.

* * *

Crops throughout Chile are reported to be favored by the excellent spring weather. Early reports of the acreage sown show wheat the same as last year with 10 per cent increases in barley and oat areas.

* * *

The quantity of this year's German harvest was more or less satisfactory but the quality is not up to standard. Figures published by the German Agricultural Council show that for some of the princi-

Grain Dealers National Convention

BUFFALO Corn Exchange members received and deserved the enthusiastic congratulations of every member in attendance at the thirtieth annual convention of the Grain Dealers National Association, held at Buffalo, October 18, 19 and 20. The National Association has received hospitable welcome from many cities in the past, but we do not remember an occasion when the entertainment has been so elaborate and of so high a grade; nor when affairs were run more smoothly nor closer to schedule. The entire Buffalo market deserves full credit and we would like to give individual mention to each one if space permitted, but we cannot refrain comment on the constant attention to the wants of every visitor accorded by General Chairman George B. Wood; Entertainment Chairman Charles T. Doorty; and Hotel and Transportation Chairman E. E. McConnell. The only person who was inhospitable was the weather man and even he could not abate the enjoyment of the 600 dealers and wives in attendance.

Perhaps the most important decision of the entire

we ask Thy blessing. Grant that they may both perceive and know what things they ought to do, and also may have grace and power faithfully to fulfill the same. Upon this convention now assembled, begun in Thy holy name, we ask Thy blessing, that in all their work it be begun, continued and ended in Thee, and that in it they may glorify Thy holy name. All this we ask in the name of our Lord and Savior, Jesus Christ: Amen.

The President: We will now be accompanied in the singing of "America" by the organist.

(Convention sings "America." Convention seated.)

The President: I now have the pleasure to introduce to you the Mayor of Buffalo, His Honor Frank X. Schwab.

The Mayor: Mr. President and ladies and gentlemen of the Grain Dealers National Association: It is useless to say that we bid you a hearty welcome. I know by the appearance of your committee and by the smiles upon your faces that you are "well come" in our city. I know the committee in charge very well personally, and I know when they undertake to do a thing, they generally do it right. The city is yours. We hope and trust you will enjoy yourself whilst you are here. If you will ask us, we shall be only too pleased to give you all the accommodation and courtesy we can, and if somehow some one should make a mistake, I hope you will overlook that.

You have come here this morning not only for a pleasure trip, but you have come here to organize yourselves, and by the different minds to do something for your organization, to do something, if you may, for your families and for yourselves and for your fellow man. These conventions, as we look them over day by day, have an object in view, and as a rule they are brought about by difference of opinion. And so I believe it is in your case. You have behind your convention that prayer in the name of God, and all good things come in the name of God; and especially at this time, when the world is going at such a pace, and these things of the Twentieth Century are developing so fast, we perhaps need the helping hand of God more than we have in the years past. I hope and trust that whilst you are here in our city, by resolution or otherwise, you will accomplish many good things; that you will accomplish many things that will be for the betterment of our fellow men, to enlighten our fellow man and make him think as we do.

In all these conventions, if you are organized you will succeed and will accomplish things. I am somewhat interested in your convention from a selfish standpoint and a human standpoint. I have been reading about some of the things you have been striving for. I believe, as in a good many other things, the hand of the Government has reached out too far, that the Government is trying to do the work which belongs to us. We are selfish. That is only human nature. And we are pestered at times. We say we want to run our cities and our states and our businesses ourselves. The Government at Washington has been set up as a machine to do the will of the people, not to force the will of the people to their expectations. That was what Washington and all the good men that inaugurated the Constitution had in mind when they set up the Government. And so I say, you are rightfully here this morning, and have a right to fight for your rights, and convince the other man that you have a right to exist as well as he has.

I wish you Godspeed, and hope and trust you will enjoy yourselves whilst you are with us. I cannot give you the keys to the city. We had a key once, but Murray Crane has that in the Statler Hotel now (Laughter). We gave it to him two or three years ago, and he has never returned it. Enjoy yourselves, and you will find Buffalo a good, moral, law abiding American city. Gentlemen I thank you (Applause).

The President: I now have the pleasure of presenting to you the president of the Corn Exchange of Buffalo, our host, W. J. Heinold.

Mr. Heinold: Mr. President, gentlemen, and delegates to the thirtieth annual convention of the Grain Dealers National Association: As president of the Corn Exchange of Buffalo, it is my pleasure to greet you. Ladies and gentlemen, in the fall of 1917 the members of the grain trade of Buffalo entertained the Grain Dealers National Association at its convention, and the Buffalo merchants most assuredly did enjoy having the grain dealers assemble in our city. And your delegates and guests are more welcome at the convention now assembled. Our honorable mayor has extended to you, on behalf of Buffalo, the social freedom of our good city, offering its undivided social and commercial hospitality, through each of our departments of municipal activities, in order to provide to each delegate a most splendid entertainment, so that you may enjoy Buffalo in all of its civic, social and business activities.

It is also my pleasure, on behalf of the Corn Ex-

change, representing the grain trade in all of its activities, to extend to you a most cordial invitation to meet the members of our Exchange, to visit our trading floor, and to take advantage of the special entertaining features which have been prepared for you by our convention committees, so that you may be associated with Buffalo in all of its advantages, not only in the interests of the merchandising of grain in Buffalo, but to take advantage of all we have to offer you, so that you may see that we have done our duty in trying to convince you that Buffalo was the right city in which to hold the 1926 convention. I am pleased to advise you that each feature of our entertainment, both for the ladies and for the gentlemen, has been well provided for by duly assigned committees, and we trust that our effort will repay you in doing honor to our city by selecting Buffalo as the place for your convention. As you doubtless all know, the headquarters of our Exchange are in the Chamber of Commerce Building at Main and Seneca Streets. You will find on approaching the building a special sign indicating the headquarters of our Exchange, and to the representatives and your good wives and guests we say you are all most cordially invited to attend and visit our trading floor, to meet the members of our Exchange, and any service that any of us can do for you, to command us. We are at your service to make this convention one of the most pleasant that you



RETIRING PRESIDENT FRED G. HORNER

meeting was the adoption of the slogan, "Every Member Get a Member", and the cordial endorsement of the plan by all in attendance. The Association's finances are in good shape and ordinary current expenses can be covered easily by normal income. But the income does not permit of an expanded program of activity, which is needed, and the present membership does not carry the weight of influence which a more inclusive representation would carry. The slogan should be made a part of the year's activity of every member of the Association.

To comment on any one address among so many of high excellence is perhaps uncalled for, but we commend to your careful attention the address on "The Canadian Wheat Pool". The verbatim report of the meeting follows:

MONDAY SESSION

The convention was called to order by President F. G. Horner at 10:30 a. m.

The President: The invocation will be pronounced by the Reverend Charles D. Broughton, pastor of the Episcopal Church of the Ascension, Buffalo. The convention will please stand.

(Convention stands.)

Rev. Mr. Broughton: Let us pray. Oh, Almighty God, we ask Thy special blessing upon this Association now gathered together here. We pray that in all their undertakings here Thy favor and Thy protection may be about them. We pray that the great work for which they stand may be successful in its operations, to the advancement and the growth and the prosperity of this, our great land. Upon those who are responsible for the leadership of this Association



PRESIDENT-ELECT C. D. STURTEVANT

have ever attended. Ladies and gentlemen and delegates, I am sorry I did not have more time to prepare a shorter talk. We welcome you to Buffalo (Applause).

The President: We will now ask that our thanks for the cordial reception we have received here this morning and the hospitality that is evident be expressed by our first vice-president, C. D. Sturtevant, of Omaha.

Mr. Sturtevant: Mr. President and gentlemen: Those of us who were fortunate to be present on the occasion of the twenty-first annual convention of this Association, which was held in this city in 1917, remember with the keenest pleasure the great reception we received at that time. We remember the friends we made here, the hospitality of the Buffalo grain men, and the beauty and grandeur of this city and its surroundings. The hearty words of welcome from Mayor Schwab and President Heinold and the greetings of our Buffalo friends convince us that this convention will be even more successful than that of 1917.

We grain men—and I am proud to call myself a grain man—meet once each year in convention to transact our business, to try and improve conditions in our trade, to renew old friendships and make new friends, and with the cares of business behind us for a few days, to try to enjoy ourselves those few days with our friends. To make that enjoyment more perfect, many of us bring the ladies with us, that they may see us at work, may help us to cement old and new friendships and join with us in our play. I am sure no convention of the Grain Dealers National Association would be complete without them.

Mr. President, I believe we are very fortunate this year again to have the opportunity of meeting in Buffalo. This great city, with its wonderful harbor, its active and progressive Corn Exchange, whose president and members have welcomed us so kindly, its great mills and others interests, certainly make it an ideal spot for us to hold our meeting, and the at-

tendance this morning would indicate that our members have taken advantage of the opportunity offered not only to join in the routine work of the convention, to listen to the speakers, but also to become better acquainted with Buffalo and its grain men.

I wish it were possible for me to fully and adequately express our appreciation of your kindness and courtesy, but it is beyond my powers. Mayor Schwab has opened the gates of the city to us; President Heinold and members of the Corn Exchange have welcomed us most heartily. We know they have been working for weeks to prepare our entertainment, and for this and much more that I cannot express, it is my pleasure and privilege to thank you on behalf of the members of the Grain Dealers National Association, and to assure you that when we leave your city on Wednesday, our only regret will be that we cannot stay longer, and that we cannot hold our meeting here every year (Applause).

The President: To the ladies who are not here this morning, and the gentlemen who are, and fellow members of the Grain Dealers National Association:

PRESIDENT HORNER'S ADDRESS

THE conditions surrounding the grain trade at the opening of this, the thirtieth annual convention of the Grain Dealers National Association, are not so auspicious as we might desire, but we can, at least, take a great deal of consolation from the fact that the unfavorable factors now confronting our trade are prompted by outside influences, over which we have no control, while the trade itself has developed the grain handling facilities of the country to such a point of efficiency that no radical improvements are now in sight and it would seem that any desirable changes must be confined to the routine

commensurate with the importance of the interests which it represents. We have no need for a militant organization such as some of the extravagant ones now being maintained by the farmers but we should equip our Association with sufficient financial resources to permit the proper protection of our interests. It no longer suffices for us to proceed in smug complacency, clad, as Lady Godiva of old, only in our chastity. While we may protest most vigorously against both the propriety and the necessity of such action, we can not blind ourselves to the fact that we are facing an increasing tendency towards public regulation of our business. We stultify ourselves and fail in our duty as citizens if we do not resist such action. We fail in our duty to our own interests if we do not do everything possible to minimize the effect when such action becomes inevitable.

Our state associations are, without exception, in the same condition as our own organization, so that while the dues of our affiliated members are merely nominal, there is no chance whatever for any increase from that source. A sufficient increase in the number of direct members also seems to be impossible, although partial relief might be obtained in this manner. The difficulty is that our membership is now so large in the major markets that desirable prospects are almost negligible, while to obtain a materially larger increase outside of these markets than we are now doing, would call for an expense out of proportion with the revenue to be received. The only practical method that presents itself to me is an increase in the dues of direct members and this is a very delicate matter which should not be forced and should not be instituted without the hearty approval of an overwhelming number of our members. To raise our dues with the approval of a mere majority, might result in such a loss in membership as would seriously cripple the Association. However the condition remains the same and I bring this to your attention today, not so much with the hope for any immediate action as with the thought that it is my duty to present the facts and with the hope that it may bring about such a discussion of this entire subject as will lead to some method that will strengthen the resources of this Association to a point that is adequate for its needs.

I have not forgotten that it is the desire to continue the plan adopted at Kansas City last year of eliminating all set speeches of our officers in order to shorten our sessions to one each day but I would like to briefly mention just one other subject and that is our program and the attendance at our business sessions. You will notice that the program this year is rigidly confined to trade subjects. No speaker is here as the vehicle of any kind of propaganda. Each speaker is here at the express invitation of this Association and without any compensation whatever. In one word they are our guests. As hosts, we fail in a most fundamental duty if we do not pay them the respect of being present during their visit. There is not a man here who would invite a guest to his home for dinner and then idle in his library while the guest was at the table. I say this, not in a spirit of criticism, but only in an effort to impress upon your attention a condition which is becoming serious and which does not reflect credit upon our Association. It would seem that the fullest possible recognition had been given to the value of our conventions as a medium of personal contact when the afternoon meetings were eliminated and our business sessions were confined to about two hours each day and I am going to ask each one of you, as a duty to yourself; as an obligation to this Association; and as a courtesy that we owe to our guests to make an effort to present a respectable sized audience during the appearance of these speakers whom we have invited to meet with us.

The President: With your consent, we will vary the program slightly at this point, and before receiving the report of the secretary-treasurer, we will have the presentation of the booster prizes. I do not believe there was ever a time when duty was more of a pleasure than in presenting these booster prizes, for if we value our Association at all, we cannot too highly estimate the very source of its lifeblood. I do not know how I better express the importance of the work these boosters have done this year than to say that this Association has approximately 1,100 direct members, and 2,500 associate members, a total of about 3,500. And five men come to this convention this year bringing 92 new members out of 207 which we have received during the year. I say this without any reflection on the 60 odd other boosters who have brought in from one to 11 new members, or the other boosters who have worked hard and earnestly and have been able to secure no new applications, for we all know that many applications which the boosters did receive were the result of cumulative effort put forth by others. I do, however, want to call attention to the fact that as our membership in the large markets increases, it will become increasingly difficult for any one person to go out and secure such a large number of members as has been done during the past year, and the work will devolve more and more on the rank and file of this organization. If each one of you go home would take the roster of members published in *Who's Who*, and check those over carefully with the

firms in your vicinity and the firms with whom you trade throughout the country, and make a list of those who are not members, and keep those before you during the year, and lose no opportunity to bring those non-members into the Association, and when we ourselves fail, call upon our Booster Editor to turn his heavy artillery on the more stubborn prospects, I predict an increase that will be phenomenal. Will you do it next year?

During the past year George W. Booth, of Lamson Bros., Chicago, has secured 31 new members; Harry Williams, Nashville, Tenn., has secured 24; W. H. Harter of the Crown Elevator Company, Minneapolis, has come through with 13; J. B. Stoughton, of the Lewis Grain Corporation of Minneapolis; and L. H. Connell of Denver, Colo., have each placed 12 upon our doorstep (Applause). May I ask these gentlemen to come forward? I am sorry that Mr. Harter and Mr. Connell are not at the convention or are not in the audience at the present time. This Association knows, Boosters, that you have worked hard and earnestly, and you have certainly done magnificently. You deserve appreciation and thanks of every member of this Association, and in presenting you this morning with these prizes, we do not presume to do so as a reward for your efforts, but more with the idea that they may serve as a token to you of the gratitude which this Association owes and the gratitude which it feels and the gratitude which I know it will never forget. May you never doubt the appreciation that you have of every one of us. (Applause).

(Prizes tendered. Cries of "Speech.")

Mr. Watkins: It is getting to be a habit of some of these gentlemen to win prizes. I see George of Chicago and Harry of Nashville running away. This booster idea is a very fine idea. Much honor is due them. You have heard what the president has said about our financial situation, and the general conditions throughout the organization, state and national.



GEORGE W. BOOTH, CHICAGO
Winner of the first Booster Prize

development which is continually taking place and the greatest obstacle in the path of this development is the continual meddling which is prompted not by any desire to benefit either the farmer or the consumer but only to further the selfish interests of the band of carpet baggers who have attached themselves to this farm movement.

It is most unfortunate from every standpoint that there is not a better understanding and greater co-operation between the farm organizations and the grain trade associations as their interests are mutual but the prospect for such teamwork will never be particularly bright until the farmers assume control of their own organizations and eliminate the politicians and professional promoters who are now so conspicuous.

My experience in the past two years, however, has convinced me that much could be done by this Association towards this end and many other activities could be undertaken which would be beneficial to our members if our finances permitted. There has been no change in our dues for a great many years but we all know that, in the meantime, there has been a very large increase in salary, rent, and every other item of Association expense. The result is that the Association is today in the position of being able to conduct its affairs on the present income if its activities are limited to the barest routine and the most rigid economy is practiced at every corner. Please understand that our Association is not broke. On the contrary, it has a comfortable surplus. But good business requires that it be conducted on its current income. Personally, I am firmly convinced that some additional income could be used with great profit to every member. The real question is whether we desire a mere skeleton of what our Association could and should be or whether we wish to equip it in a manner which will permit an active and dignified participation in affairs affecting the grain trade and



HARRY WILLIAMS, NASHVILLE
Winner of Second Booster Prize

It occurs to me there is something that can be done by us to overcome this situation. I am sure your directors would be reluctant to recommend an advance in dues at this particular time, and I imagine you would be reluctant to vote upon that question. I am sure all of you are interested in association work, else why would you be here? There are a number of men you know that should be here and should be members of the organization who are not here. None of you would willingly go back to the conditions of 30 years ago. You are not all of you as old as the president and myself, and cannot remember the conditions in the days back of the days of our organization. But the conditions now are due to organization. None of you would willingly see the organization go down. We are not in a desperate situation, as the president has said, but we do need to put a little more punch in our work. It is like that old adage in McCuffey's reader, about the breaking of the bundle of sticks. You remember the father asking his two sons to break the bundle of sticks, and the two older boys tried to break them all together; but the younger son was smart enough to untie them and break them one at a time, and the father illustrating it to them, said "If you stay together, you can carry on, but if you become separated you will not succeed." That is the situation with the grain trade. I have this suggestion to make, a scheme that I believe will work. It has been tried in other organizations. Let us not leave it to the Boosters or a select few. We do not want to do anything to minimize their work. Let's go ahead with our booster campaigns, but let's take this slogan for the coming year, "Every member get a member," and to inaugurate that movement I would like to pledge myself to get one member at least for the Association this coming year.

The President: That is an admirable suggestion.

A. S. MacDonald, Boston: I should like to have Mr. Watkins make that in the form of a motion. I should be glad to second it.

Mr. Watkins: I will so move.

Mr. MacDonald: I will second that. I have been thinking, we undoubtedly need more money; everybody does. I do not think it would be wise to recommend

an increase in dues. No one can tell how far reaching such an action would be. The work of the boosters is impressive, 207 new members added by but 68 or 69 members of the Association. Take out Booth and Williams and Stoughton, if any of them should die and go to Heaven, where would the Association be (Laughter)? It would leave the rest of us, who have gotten about a hundred. We all must know members that we should be able to get as a result of personal contact. You have all seen these red cardboards, with pretty cuts and fine language, but it doesn't get across. I suggest the president call for volunteers who will definitely pledge themselves before witnesses to get the one new member that Fred Watkins refers to, and if the motion is passed, as it will of course be, I would like to see every one stand until he declares his name and address in the presence of God and these witnesses (Laughter). It can be done. I want to see this proposition put over, the way we subscribed for Liberty bonds. We all got together and used a little psychology. Make everybody stand until he gives his name and promises one. And I would like to see this same procedure at the different sessions of the convention, to get all those who may be at those sessions, who are not here now.

The President: The 207 new members are not net. We had a loss of 224, so that our net loss was 17. We didn't quite hold our own the past year, and haven't held our own any year since the war. We have done better this year than any other year.

A Member: It might be well to have Booth and Williams tell us how they do it.

Mr. Booth: I think this is an excellent idea that has been suggested by Mr. Watkins and so well seconded by Mr. MacDonald. There isn't any secret about getting members. It is just a matter of personal solicitation. I do not believe there are many men who try to get members who do not get them. It just takes a few minutes with some one who is not a member, telling them about the organization and what we are trying to do. In connection with last year's work, I want to say that the best man didn't win first prize. The best man is Harry Williams. When a man in a market the size of Nashville gets 24, going outside to get them, he put it over me a long ways, and it shows what a man can do. The idea we have is that we do not need to confine ourselves to fellows who have elevators or who handle cash grain. I think fully half the attention of the Association is given to a defense of our future markets and an explanation of their work to the public. Therefore, I think men who are trading in future markets, hedging or speculating, or no matter how they are using it, are as much indebted to this organization as the man who has an elevator. Quite a few of my new members have been brokers, independent brokers, and fellows who solicit business. The last member I got is a man who never handled cash grain, but does some speculating, and he said "Sure, I am for that. I want to be associated with the Grain Dealers Association, because I appreciate what it does for me. It maintains a market for me." All parts of the grain trade ought to be in this organization, and fellows who are reasonably prosperous in the business are glad to join when it is explained to them what the organization is trying to do. We write letters all the time but I think I have gotten only one member by mail. It takes a few minutes, and then they are for us.

Mr. Wayne: I notice Mr. MacDonald has Booth and the other boosters slated for Heaven. What is going to happen to the Association if they go to Heaven? I suppose we will go to Hell then (Laughter). It is important that this Association has more money to do business with, and I think the scheme of having every member pledge himself to get another member is a good one, and every man should stand up and say "If I can't get a member, I will pay an amount equal to a membership," and I want to record myself in favor of that (Applause).

The President: I understand Harry Williams has a secret method of securing members, and he is so jealous of it that he has never even had it patented (Laughter). It will be impossible to draw it out from him, but he will use it again next year, and if he does, we should be satisfied.

The resolution is that we adopt as a slogan "Every Member Get a Member," and that we pledge ourselves to secure at least one member—there is no limit—during the ensuing year.

(Motion carried.)

Mr. Forbell, New York: Mr. Watkins' idea is a most excellent one, and I believe will bear fruit. Mr. Watkins has pledged himself to one member. He is too modest. If Mr. Watkins doesn't bring in 10 members, I will be mistaken, because I know he is capable of doing it, and has the acquaintance to draw from. Personally, I have pledged for one member, but if I don't get six, I will fall in my duty to myself and to the Association.

Mr. Reimann: I believe it would be well if we could see every man who is going to pledge himself to this. We lose some of the punch of this when we don't see them.

Mr. Booth: I failed to say also before that one reason we were continually after members was that the president and secretary were continually after us. They just goaded me. With them behind you, you must do something.

The President: I have no recollection whatever of such a thing (Laughter).

Mr. Sturtevant: This Association is performing a distinct service for everybody, either directly or indirectly connected with the grain business, and all those people should join with us and boost the Association. If we can get to them that we are performing a service for them, that will increase our number, and we will all benefit. We have something to sell, and do not have to beg, and we can sell it to them. Let us get then in the game with us.

F. C. Bell: I move the secretary follow these personal pledges up closely, and see that every man fulfills his pledge, and that every member of the Association be advised of this resolution, and be requested to do the same thing.

(Seconded by Mr. Green, and carried.)

The President: The important fact is not the \$20, but is the member. It is more important to the Association to secure one member than to secure a flock of \$20, because the member lends prestige to the Association and perhaps will stay with us for years.

Mr. Watkins: The field is large. There is a possibility of 20,000 members in this organization, if we had all the elevator representatives throughout the country. We have 1,100 to 1,200 direct members, so you will see there are plenty of places to work. The field is large, and I think it is ripe for the harvest.

The President: We will continue this in the succeeding sessions, and there will be pledge cards printed for those who are not here, and I would ask the members not to drop the matter, but see that the others make their pledges before they leave.

I will now announce the various committees. The Resolutions Committee: F. E. Watkins, chairman; H. R. Wilber, P. E. Goodrich, James M. Adam, Adolph Kempner.

Nominations: A. S. MacDonald, chairman; J. T. Buchanan, John Stark, L. C. McMurtry, James L. King, W. H. Hutchinson, L. W. Forbell.

Auditing Committee: E. M. Wayne, chairman; John S. Green, S. L. Rice.

I would like at this time to read the following tele-



Every
Member
Get a
Member



F. E. WATKINS AND A. S. MAC DONALD, WHO MOVED AND
SECONDED THE ADOPTION OF THE SLOGAN

gram. (Reads telegram from Shredded Wheat Company inviting delegates to visit its plant).

The next will be the report of our secretary-treasurer, Mr. Quinn.

REPORT OF SECRETARY QUINN

IN PRESENTING his thirteenth annual report, your secretary will follow the custom of giving the members of the Association a complete account of his stewardship. Owing to the fact that we are to hold but three convention sessions at this meeting no attempt will be made to read all of the details. The complete report will, however, be printed in the convention proceedings.

The Association is this year completing the third decade of its existence. It has had 30 years of great activity. For the first decade its work was of a foundational character. This was pioneer work. It was clearing away the ground and digging out the cellar for the structure that was to come later.

The first 10 years were devoted to fundamentals such as the establishment of compulsory arbitration, the framing of trade rules and the abatement of abuses that had crept into the trade.

The second decade saw the enlargement and completion of this work and the building up of new activities to meet new needs. In this second decade the Association began its campaign to secure uniform grain grades. It also realized the necessity of having an active transportation department to counteract the encroachments of the railroads which were constantly invading the rights of shippers.

It was during the end of this decade that ominous signs began to appear on the political horizon and the Association found it necessary to strengthen the work of its Legislative Committee. The growth of the co-operative philosophy throughout the world had its reflection in the United States. It first began in this country in the curbing of the power of the Interstate Commerce Commission and the passage of the Sherman Anti-Trust Law were the first manifestations of the revolt of the people against the philosophy of untrammelled individualism.

No unprejudiced observer will deny the necessity for the movement away from uncontrolled individualism. It is obvious that it had to come. Men cannot be left to themselves to develop any particular philosophy of life. Without the power of government to protect the weak from the strong life would become

predatory and the very individualism that had done so much to develop the resources and wealth of the country would destroy itself through its own abuses.

It was this abuse of power on the part of the strong that set in motion the counter force of government at the demand of those who could protect themselves in no other way. Life is an eternal conflict between opposing forces and philosophies. Without this conflict, civilization would cease to exist.

But a counter force, once set in motion, must run its course until it, too, is checked by its own excesses. We have seen illustrations of this in every land and in all times. Some manifestation of the fight between Fascism and Bolshevism is apparent somewhere in the world all the time. One is the antidote of the other and neither is permanent because both are opposed to the higher and better instincts of mankind.

In the United States we were spared either extreme but we had a pale reflex of the age old conflict. Here the antidote for individualism run wild was thought to be the destruction of individualism entirely and the substitution of a mild form of socialism in the way of co-operation.

Once the new philosophy began to gain momentum the politicians seized it as they were expected to do. Ever on the alert for a rallying cry they joined the movement after the "muck rakers" had exposed the abuses of the old system. Then began the co-operative campaign as we know it today.

What is here written may sound a little academic but a moment's reflection will show that it is basically true. If civilized life is possible only through a constant conflict between opposing forces then there should be no cause for surprise when the philosophy of individualism finds its opponent in the counter philosophy of co-operation.

Uncontrolled individualism ran its course to its logical end. When its abuses became intolerable it was curbed by the power of government.

But man is so constituted that he is never satisfied merely to right a wrong and stop there. Perhaps he could not right it at all unless he set in motion a counterforce which must also run its course and complete its cycle. That counterforce in this case is the opposing philosophy of co-operation, and it too is running its inevitable course. Its cycle is nearing completion.

As a substitute for individualism co-operation is a failure, but it is not a complete failure. Within proper limits it is a success. In small units and in the handling of certain products it has in many cases succeeded. As a substitute for the entire system of individualism it can never succeed because as it grows its overhead increase out of all proportion to its size. In large units it cannot hope to compete with individualism which must of necessity practice economy and eliminate waste or perish.

The attempt, therefore, to apply the philosophy of co-operation to the whole grain trade is doomed to prove abortive and it need not be taken too seriously by grain dealers. The difference between handling one's own money and the money of hundreds or thousands of unknown producers scattered broadcast is the difference between success and failure.

Every economist of repute in the world knows that what is here stated is not only true but is indeed elementary. Most of the politicians also know it and at last the farmers themselves are beginning to sense it.

In 1920, when the deflation came and the prices of farm products rapidly declined, the philosophy of co-operation received its great impetus. For some years previously it had been slowly capturing the imagination of the dreamers who professed to see the end of individualism and the inauguration of co-operative commonwealths everywhere. The farmer, who is the very personification of the system of individualism (because he is a capitalist as well as a worker), did not in the beginning take kindly to the new philosophy. But a drowning man is prone to catch at straws and when the troubles of 1920 and the two following years came, who can blame him for lending his ear to the plausible pleadings of the office-seekers? And thus the farm problem, which is purely an economic one, got into politics.

Politicians the world over are the same. They play to the prejudice of the people whose votes elect them. Once the co-operative movement got under way its momentum began to increase, at first slowly and later with great rapidity. What cared the politicians for the inherent merits or demerits of the new philosophy so long as the producers listened eagerly and voted for the men who promised the most?

The momentum of the new movement is graphically shown in the number and nature of the bills passed by Congress in the interest of agriculture in the last few years. At first the farmer was satisfied with measures that would enable him to increase production. The Federal Government and each of the states answered that demand by the enlargement of the activities of their agricultural departments and the 48 state agricultural colleges. The next step was credit legislation which was urged so that the producer would be free from the individual money lender. But the co-operative idea must complete its cycle. It must run its course and hence its further development until demands began to be made upon Congress

for subventions of all kinds such as export bounties, price-fixing schemes and Government purchase of farm surpluses.

At last the co-operative idea was nearing its inevitable goal which is a form of state socialism.

One may easily trace its course from its beginning. It started with the creation of Government agencies to curb the rapacity that had grown out of the unchecked and uncontrolled system of individualism. It ended in a demand for Government funds to enable giant co-operative agencies to control the domestic price of farm crops that were burdened with surpluses.

How little the men at the head of this movement perceived the road along which they were traveling. That the Government could not handle the surplus grain without going into the grain business; that it could not loan money from the public treasury without taking supervision of the co-operative movement; that it could not fix prices without a control that amounted to state socialism, either did not occur to those who were leading the movement or else they were confirmed socialists who deliberately planned the destruction of the old American system of individualism.

The truth probably is that they were simply carried along with the stream as it became more and more swollen. When the momentum of a movement grows the movement itself is very often impossible to direct. In such a case the radicalism of today is the conservatism of tomorrow. The cycle must be completed.

No one in the farm movement 10 years ago would have dreamed that much of the time of Congress would be consumed in the consideration of such measures as the McNary-Haugen Bill or the Fess Bill, the first of which is a price-fixing measure and the second a scheme to loan \$100,000,000 of the taxpayers' money to co-operative agencies so that individual initiative might be killed and the foundations laid for a co-operative commonwealth.

And yet that is just what has happened. The seriousness of the situation is beginning to dawn upon all the people, including the farmers. The reaction is setting in. The counter force is gaining strength. The co-operative movement is reaching its inevitable end.

Lest your secretary be misunderstood it might be well to reiterate again the position of the Grain Dealers National Association. We are not, and never have been, opposed to co-operation *per se*. As a philosophy it has its place in the economy of nature. In business, co-operation is a success in a small way. It can do some things better perhaps than they can be done by individual effort. But as a substitute for the present system of grain distribution on a national scale it can never hope to succeed. The Grain Dealers National Association will place no stone in its path. All we ask is that the Federal Government shall keep its hands off and permit it to stand on its own feet and justify its existence. If it has the inherent merits its advocates claim for it nothing can prevent its ultimate triumph. What we object to is the bringing of the Government into the grain business under the pretext that "the farmer, who is engaged in the most basic of all industries, must be helped." Nothing could cause greater ultimate harm to co-operation than the constant subvention and wet-nursing advocated by the farm leaders. As 70 per cent of the people of this country are consumers and not producers of grain the demands made upon Congress by farm leaders are sure to set up a counterforce which, once aroused, will be destructive to the farmer's interests. If 30 per cent, representing the producers, can force Congress into raising the prices of food what could the 70 per cent do in the way of reducing prices once they became convinced that they were the victims of political injustice.

It is right here that the greater danger lies. The politician cares nothing about what may happen when the pendulum of public emotion swings the other way. He will cross that bridge when he comes to it. He is a creature of expediency. Tomorrow other issues will arise. His immediate problem is re-election next month.

And so we have congressmen and senators advocating McNary-Haugen and Fess Bills although these same lawmakers, in private conversation, frankly characterize such measures as dangerous and likely to produce trouble in the future. They know that the thing that passes for public opinion is nothing but organized propaganda and that the people in a democracy oscillate between conservative and radical policies. The only thing about them that is consistent is the consistency of their changes. They tire of conservatism and for awhile play with radical ideas, only to become frightened and return to safety. And then, in the course of time, they begin all over again. This is the history of democracy in every country.

Grain dealers need not fear about the future because history is always repeating itself. No McNary-Haugen or Fess Bill will pass Congress. The impetus that brought such proposals to the attention of the country is losing its force. The wave of conservatism is rising.

In the last annual report of your secretary attention was given in some detail to the defeat in Congress in 1924 of the first McNary-Haugen Bill. So

much has been written about this measure and the many other bills that had been introduced about that time that no effort will be made here to enumerate them. They all died a natural death when that Congress expired. It was hoped that after their defeat two years ago the advocates of price-fixing would discontinue their efforts, but at the last session of Congress they returned to the attack with greater determination than ever. The situation in Iowa, caused largely by land speculation during the world war, brought into existence a corn law committee which besieged the last session of Congress with unwonted vigor from its opening day until its close. Organized propaganda became greater in volume and intensity than ever. The administration in power was threatened with eclipse at the next election unless the rejuvenated McNary-Haugen Bill was enacted into law. Lobbyists swarmed the halls of the Capitol Building. The regular business of both the House and the Senate was suspended for days while Congress debated the bill. All the newspapers of the country devoted vast amounts of space to the discussion. And then came the vote. The bill was defeated in the House on May 21 by a vote of 212 to 167. It met defeat in the Senate on June 24 by a vote of 45 to 39. Thus ended the second attempt to pass a price-fixing bill.

But the momentum given to the agitation by propaganda caused nearly all the politicians from agrarian districts to propose schemes of their own. Congress was flooded with "relief" bills. The following are some of them:

The Tincher Bill to provide \$100,000,000 to be used in financing co-operative companies.

The Aswell Bill to establish an interstate farm marketing association to store, transport, process and market farm products.

The Christopherson Bill to form a stabilizing com-



SECRETARY CHARLES QUINN

mission financed by a quarter billion dollars borrowed from the Federal Reserve Bank.

The Sinclair Bill for a corporation financed by \$100,000,000 out of the Federal treasury to buy and sell crops.

The Adkins Bill to issue debentures on agricultural exports good for payment of duties on imports in agricultural products.

The Strong Bill to establish a fact finding board to aid in marketing.

The Little Bill to authorize the Secretary of Agriculture to buy and sell grain and give him a \$100,000,000 appropriation for that purpose.

The Oldfield Bill for an export corporation.

The McLaughlin Bill to provide for a corporation, Federally financed to buy and store crops.

The Beck Bill for a national co-operative marketing system.

The Brookhart Bill to provide for a national farmers' export co-operative financed by a \$250,000,000 appropriation to buy farm products at the cost of production and 5 per cent, the Department of Agriculture to find production costs. Loss sustained in selling the surplus to be made up by an excise tax.

All of the above bills had been referred to the House and Senate Committees on Agriculture where weeks were consumed in hearings. The committees were hopelessly divided on the subject. In the House the McNary-Haugen measure had the largest number of supporters although it was opposed by President Coolidge and the administration. Finally the advocates of the other bills, finding that they could get little support in the committee, divided between the McNary-Haugen and the Tincher Bills, which last-named measure, it was stated, had been prepared in the Department of Agriculture and was fathered by Secretary Jardine.

The committee was unable to muster enough votes

to report out any particular measure and finally both the McNary-Haugen and the Tincher Bills were submitted to the House. After the defeat of the McNary-Haugen Bill, the Tincher Bill was withdrawn and never came to a vote in the House.

In the Senate, after the McNary-Haugen bill met defeat, the Tincher or administration bill was presented as a substitute by Senator Fess, of Ohio. It was defeated by a vote of 54 to 26 with 16 not voting.

With the defeat of both measures a flood of bills was presented to the Senate. These bills were the measures that have been enumerated here. One by one they were voted down. The consideration of these bills kept the Senate in session continuously on Tuesday, June 29, until nearly 9:30 p.m. without a recess for dinner. Congress adjourned on July 3 without having passed any farm legislation except a co-operative bill that had been introduced early in the session. This bill met with no opposition from any quarter. The announced purpose of this measure is "to create a division of co-operative marketing in the Department of Agriculture; to provide for the acquisition and dissemination of information pertaining to co-operation; to promote the knowledge of co-operative principles and practices; to provide for calling advisers to counsel with the Secretary of Agriculture on co-operative activities; to authorize co-operative associations to acquire, interpret and disseminate crop and market information, and for other purposes."

There is nothing in this bill that need cause the independent grain dealer any uneasiness. It gives the co-operative societies little, if anything, that they did not already possess under other enactments passed from time to time in the last few years.

And so the grain trade has come through another year of propaganda and legislative uncertainty with none of the threatened radical legislation enacted into law.

But we are not out of the woods. Other attempts will be made by ambitious politicians whose stock in trade is the wooing of the farmer vote. Nothing is likely to be done at the short session which begins on December 6, because of the overloaded calendar. But in the long session which inaugurates the new Congress, the members of the Association may look for another fight to preserve your interests as grain middlemen.

Before disposing of the subject of Federal legislation your secretary cannot refrain from expressing his personal views on the attitude of the administration in this whole controversy. While President Coolidge has been sound in his opposition to any price-fixing measure like the McNary-Haugen Bill, the exigencies of politics have driven him into an impossible position with reference to the Fess or Tincher Bill which he advocates upon every public occasion.

So far as the grain trade is concerned there is little difference between the McNary-Haugen and the Fess Bills. One is about as unsound as the other. The practical result of the operation of either would be the elimination of the middlemen and the destruction of private initiative. Only a political psychologist could give an answer to the question: "How can the President frown upon one of these bills and embrace the other?"

The openly avowed aim of the Fess Bill is to eliminate the grain middlemen by encouraging the creation of great co-operative organizations to supplant the existing agencies of grain distribution. How can the Government, either by indirection or by straight legislative enactment, eliminate one class of middlemen without establishing a precedent for the eventual elimination of other classes and the inauguration of state socialism? How can such a course be reconciled with the American theory of private initiative?

The answer, of course, is that it can't. No one knows this better than President Coolidge, and yet he and his Secretary of Agriculture never lose an opportunity to advocate publicly the Fess Bill.

The truth seems to be that the administration has been driven into a corner by the farm politicians and is desperate. It is lending its sanction to a measure that is not only unsound but hopelessly inadequate. Your secretary cannot believe that the Fess Bill was offered in good faith. It is merely a political gesture designed to quiet the farmers and lead them quietly away from tariff reduction. This is the only explanation for such a move on the part of a President whose instincts are conservative and whose party represents the very antithesis of such a program.

The Britten Bill

Members of the Association are familiar with the efforts of the people promoting the metric system of weights and measures to have Congress enact the Britten bill, H. R. 10. This bill would substitute the metric system for our customary English system, which latter has served us since the birth of our nation. A short chronology of the events leading up to the hearings in the last session of Congress might not be amiss here. The Sixty-eighth Congress died in March, 1925, and with it the Britten Bill, H. R. 10, which had been placed before it without hearings having been given on the measure.

The Sixty-ninth Congress convened on December 7,

last, and Congressman Britten, of Illinois, introduced a metric bill, designated once more as H. R. 10, but considerably modified as compared with the other.

Hearings were held on the bill by the House Committee on Coinage, Weights and Measures on February 1, and 2 and 3, these hearings being given over to the proponents of the measure. On March 4 and again on March 18 and 19 opponents of the bill were heard before the House Committee.

The Grain Dealers National Association sent a representative to these hearings. He appeared before the House Committee and presented the objections of the grain trade to the establishment of the metric system. He also filed a lengthy report with the committee showing the prohibitive cost to the trade of the adoption of the proposed system.

The opposition to the Britten Bill was marshalled by the American Institute of Weights and Measures, which organization was founded for the purpose of promoting "wise legislation for the conservation and improvement of our basic English units of weights and measures and opposition to hasty and ill-considered legislation involving changes from these standards."

In addition to the representatives of the Grain Dealers National Association a large number of engineers and other experts appeared in opposition to the bill. Some of these experts were Commissioner Howard, of the Interstate Commerce Commission; Alfred B. Thom, Jr., general solicitor for the Association of Railway Executives; Col. Tschappat, of the Ordnance Department of the United States Army and D. Van Alostyne, vice-president in charge of manufacture of the American Locomotive Company. There were many others. The automobile, textile, hardware, steel, corrugated fibre box, implement, and in fact nearly every industry sent its experts to oppose the Britten Bill. The result was that the measure never came from the House Committee.

Arbitration

The following is a table showing the work of the seven arbitration committees and the arbitration appeals committee during the year:

Number of cases at the beginning of the convention year	21
Number of new cases filed during the year	48
Total	69
Number of arbitration decisions during the year	29
Cases withdrawn	1
Cases settled direct	11
Cases dismissed	4
Expulsions for refusing to arbitrate	3
Cases pending	21
Appeal cases pending at the beginning of the convention year	4
Cases appealed during the year	5
Appeal cases decided during the year	3
Appeal cases pending	6

Ever since the deflation period of 1920 there has been a constant decline in the number of arbitration cases handled. In 1921 the number of disputes filed with the Association was 157. In 1922 this number was reduced to 110. In 1923 but 81 cases were filed and in the following year the number was still further reduced to 75. In 1925 there was a further reduction when 53 cases were filed for arbitration. As will be seen by a reference to the above table the number this year was but 48.

Your secretary is pleased to be able to inform the convention that there was a big decrease in 1926 in the number of expulsions. Your Board of Directors were called upon to expel but three members. They are as follows: The Federal Milling & Refrigerating Company, Hagerstown, Md.; the Geis-White Grain Company, Wichita, Kan., and the Philadelphia Export Company of Philadelphia, Pa.

Last year the Association was compelled to expel nine members for refusing to arbitrate trade differences. During the financial troubles of 1921 the Association expelled 18 members and in 1922 the number of expulsions was 23. It surely looked ominous, but since the grain trade has resumed its normal condition the number of expulsions, like the number of arbitration cases, has been constantly declining. If an index to the chaotic conditions of 1920-22 were needed it is supplied by the number of expulsions in those years. With but three expulsions in 1926 the grain trade, it is apparent, has again become stabilized.

Your secretary desires to call to the attention of the convention the fact that a great advance in arbitration has been made in the last year by the passage by Congress of a Federal arbitration law which went into effect on January 1 last. This is the first legal effort on the part of the national Government to promote arbitration among the business men of the nation. The Grain Dealers National Association is one of the pioneers in commercial arbitration. We established the system in 1901 when we adopted our first arbitration code of rules. These rules have been revised and amended a number of times until they are now, like our trade rules, reaching perfection.

Other branches of business have not been as far sighted as the grain trade. In many lines arbitration is just beginning to be adopted. A great many in-

dustries have awakened to the fact that the settlement of trade disputes in the civil courts is both expensive and unsatisfactory and men in all branches of business have hailed the new Federal arbitration law as a great onward movement. It was to acquaint the members of the Association with what other business men are doing in an arbitration way, especially since the passage of the new law, that Former Governor Milliken, of Maine, was asked to address you at this convention. Mr. Milliken is now connected with the American Arbitration Association, which is endeavoring to promote arbitration in all lines of business. One of the prime objects of the American Arbitration Association is to secure in each of the 48 states a uniform arbitration law which will strengthen arbitration everywhere within the nation. Such a law is badly needed to give arbitration its proper place in the affairs of business men. If all the states can be induced to pass the uniform arbitration law referred to, arbitration decisions will be held legal and binding in all the 48 commonwealths and such decisions will be enforceable in the civil courts of the land without re-trial. Under the proposed uniform arbitration law an award of an arbitration committee will be accepted by the courts and an enforcement judgment entered, in the absence, of course, of partiality, fraud, misconduct or manifest error. Governor Milliken will explain the whole situation and show what other men in other lines of endeavor are doing to develop and perfect arbitration.

Transportation

One of the most active committees of the Association during the last year was the Transportation Committee, the chairman of which committee is Henry L. Goemann who has made many trips to Washington, Chicago, New York, Detroit, Minneapolis and other cities in the interest of transportation matters in



A. S. MAC DONALD
Who Was Elected First Vice-President

which the Association is concerned. Mr. Goemann will give the convention a complete report of the work of his committee during the year.

As every member of the Association knows, the grain trade has for years been endeavoring to come to an agreement with the carriers on claims for loss and shortages of grain in transit.

In the last annual report of your secretary the situation was fully explained. It was stated that a stalemate has ensued in the negotiations with the railroads after several years of controversy. Your secretary pointed out that the grain trade was left no alternative other than to appeal to Congress.

This Mr. Goemann has done by the introduction of bills in both the House and the Senate. The purpose of these bills is to "require the prompt settlement by common carriers of claims for loss, damage or injury to goods." The bill would amend Section 20 of the Interstate Commerce Act so that hereafter the question of loss and damage claims will be covered by legislative enactment and not be subject to continual bickering and dispute between grain shippers and the carriers.

In preparing his bill, Mr. Goeman was but carrying out instructions from the annual convention of the Association held at Kansas City last year. At that convention the following resolution was passed:

"In view of the Transportation Committee's report that the long drawn out negotiations with the carriers have proven futile and that there is no reasonable probability of securing uniformity in the tolerance allowed in the settlement of claims for loss in transit on grains, therefore, we instruct the Transportation and Legislative Committees jointly to request Congress to amend Section 20 of the Transportation Act in line with the following:

"Provided, however, that in the settlement of claims for loss of or damage to bulk grains of all kinds the deduction for assumed unavoidable waste

or loss in handling, including sampling, shall not exceed 60 pounds per car, and the tariffs and rate schedules shall so provide. Provided further, that where grain heats in transit and the loss resulting therefrom exceeds 60 pounds per car, and that the carrier is not otherwise liable for said loss, the ascertained actual amount of the loss due to heating of the grain shall be deducted."

"We further instruct the Transportation and Legislative Committees jointly to request Congress to amend the Transportation Act, or pass a statute similar to the Kansas statute, making common carriers liable for a reasonable attorney's fee in prosecuting an action for loss or shortage of grain shipped, allowing also for interest on unadjusted claims from the date of filing to the date of payment."

The bill prepared by Mr. Goemann and introduced in both branches of the Congress follows closely the instructions contained in the above resolution. In view of the fact that the bill was not introduced until late in the last session no concerted attempt was made to have it enacted into law but in the short session that begins on December 6 all grain shippers will be asked to lend their aid to the end that this bill may be placed upon the statute books.

The earnest and unselfish work of Mr. Goemann in the interest of better relations between grain shippers and carriers deserves the unstinted praise and commendation of the members of the Association. He has been working hard for you for many years, and all he receives for his labors is the payment by the Association of his hotel and traveling expenses. No compensation whatever is paid to him for his arduous work in your behalf. Without men of his type no trade association could long continue to function. It is the voluntary labors of such idealists that make possible the many efforts of the Association to improve conditions in the trade.

Trade Rules

At this convention, C. D. Sturtevant, chairman of the Trade Rules Committee, will present several proposed changes. It would seem that the trade rules had just about reached perfection because they have been revised and amended nearly every year since their adoption in 1902, 24 years ago. However, the practical application of the rules in the every day course of business brings to the foreground each year the necessity of some changes, either in the way of clarification or in the matter of additions. Sometimes the necessity arises for the creation of entirely new rules to meet changing conditions.

One of the most important of the changes that will be offered to the convention by Mr. Sturtevant will be with reference to rule No. 2 regarding the meaning of the word "Terms." This is a most important matter because it involves to a large extent the question of Association jurisdiction in arbitration disputes.

One of the eastern exchanges has taken the position that the "weights and grades" alone of a market constitute the "Terms" of that market. This would mean in practice that a member of an exchange who bought grain on the mere "weights and grades" of his exchange, could, in event of a dispute, compel the seller to arbitrate in the buyer's market. Trade Rule No. 2 states that "the word 'terms' shall mean that the weights and grade of a market shall be determined in the market agreed upon, it being understood in addition that whenever applied to a terminal market the word 'terms' shall be construed to mean that all the rules governing such market shall obtain."

This rule as quoted above has always seemed plain enough to the officers of your Association and the members of the Trade Rules Committee, but it appears that its meaning is not clearly understood by some shippers and receivers of grain. The Association has always construed the rule to mean that we will not attempt to take jurisdiction in disputes where the contract is based on the "Terms" of a market because the "Terms" mean all of a market's rules and among these rules arbitration in the said market would naturally be included. But when the contract specifies only the "weights and grades" of a market then arbitration before the Association becomes compulsory upon the demand of either interested party because the "weights and grades" of a market mean but a part of that market's terms.

The eastern exchange takes the position that the "weights and grades" of a market and the "Terms" of a market are the same, hence the Association cannot compel arbitration in a case where the contract specifies merely "the weights and grades." If that contention were allowed to go unchallenged the next move would doubtless be to affirm that the mere "grades" of a market or the mere "weights" of a market would determine arbitration in that market with the result that the word of the Association in the matter of compulsory arbitration would be greatly circumscribed. To consent to such an interpretation of rule No. 2 would be to vitiate the whole arbitration work of the Association and tie the hands of every grain dealer who shipped to any organized exchange where a set of rules was in effect. In other words it would mean that an outside shipper selling grain in any exchange on that exchange's mere "weights and grades" would be binding himself in advance to the provisions of an interminable set of rules with none of which he was in the least

familiar. If the shipper wishes to sell on the "Terms" of a market the presumption is that he knows what these rules are and that he is willing to subscribe to them. If he sells on the mere "weights and grades," or the "grades" alone, or the "weights" alone it is unfair to attempt to force his compliance with all the rules of a market. In some sections of the country considerable grain is sold on the weights of one market and the terms of another or vice versa. Under such conditions the contention, if accepted, of the eastern exchange would bring jurisdictional chaos.

Mr. Sturtevant will simply attempt to clarify rule No. 2 so that hereafter there will be no question whatever on the part of anyone as to its exact meaning. He will have several other proposed changes to offer the convention and the discussions that will follow their introduction should be most edifying and educational.

It might be said at this point that all such controversies as the one that has arisen over rule No. 2 could easily be avoided if the members of the Association would only be a little more careful in their confirmations. If they would use the Association's uniform confirmation blank such disputes as the one mentioned here would never arise.

Mr. Sturtevant has done an immense amount of work for the Association in the last year as every reader of *Who Is Who In The Grain Trade* surely knows. His answers to the trade rule questions propounded by members are characterized by a clarity and incisiveness that are most admirable. He has done more to bring to the members of the Association a knowledge of the trade rules than any other one man. Indeed it may be said that he has popularized what many people in the past regarded as a rather dry subject. Every member reads these questions and answers. This is shown by the fact that the number of queries is constantly increasing.

Uniform Grades

During the last year the Department of Agriculture published tentative grades for barley under authority of the Federal Grain Grades Act. Hearings were given to the trade on these new grades at Los Angeles, San Francisco, Portland, Seattle, Minneapolis, Chicago and New York. The Association was represented at each of these hearings by either a member of the Uniform Grades Committee or by prominent members located in the markets named. Several of these representatives prepared formal statements presenting the views of their markets and offering suggestions for slight changes in the tentative grades. These statements were sent to your secretary and he in turn forwarded them to the Secretary of Agriculture. The new barley grades were announced to go into effect about August 1. Thus far the trade seems to be quite well satisfied with them.

Membership

The following is the complete membership of the Association—direct, associate and affiliated:

DIRECT AND ASSOCIATE.	
Number of direct and associate members on October 12, 1925	1,180
Direct and associate members secured since the last convention	207
Total	1,387
Direct and associate members in good standing on October 18, 1926	1,122
Number of delinquents	41
Direct and associate members lost during the year from the following causes:	
Resignations	116
Gone out of business	71
Dropped for non-payment of dues	34
Expelled	3
Total	1,387
AFFILIATED MEMBERS.	
Affiliated members reported at the last convention	2,969
Affiliated members on October 18, 1926	2,406
Decrease	563
DIRECT, ASSOCIATE AND AFFILIATED.	
Total number of direct, associate and affiliated members reported at the last convention ..	4,117
Total number of direct, associate and affiliated members on October 18, 1926	3,569
Decrease	548

As will be seen the number of new direct and associate members secured during the year was 207. This was an increase of 6 over last year when the number was 201. In 1924 the total number of direct and associate members taken into the Association was 147. In 1923 the number of new members secured was 158 and in 1922 there were 142 applications approved.

The Association during the convention year just closed has obtained more new memberships than in any year since 1921 when the deflation in grain prices in 1920-21 caused such financial havoc in the trade. Each year since 1921 your secretary has been compelled to report annual net losses, the largest of these losses being in 1921 when the membership lists showed a decrease of 402. Since then the annual losses have been declining until we have reached the point where we are practically holding our own, the new members secured offsetting the annual losses. It is gratifying to be able to report that the net loss last year in direct and associate members was but 17.

At today's session of the convention prizes will be

distributed to the four members of the Association who secured the largest number of applications during the year. These four prize winners are: George E. Booth, Chicago, who secured 31 new members. Harry Williams, Nashville, Tenn., who induced 24 non-members to join. W. H. Harter, of Minneapolis, who secured 13 members. J. B. Stouten, of Buffalo, N. Y., is the winner of the fourth prize. He landed 12 new members. L. H. Connell, of Denver, Colo., obtained signatures to 12 applications but the twelfth one did not arrive until after the formal campaign closed. Mr. Connell will, however, be given a prize for his splendid work.

No praise of the work of the members of the big booster committee could be too fulsome. Mr. Booth, Mr. Williams, Mr. Harter, Mr. Stouten and Mr. Connell, as well as all the other boosters, deserve the thanks of the Association for their untiring zeal and earnest efforts to bring new members into the fold.

Without their wonderful co-operation and unselfish endeavors, the Association would in a few years decline in membership and influence. It must be plain to every member that the foundation of all the Association's work for the grain trade is built upon the number of its members. With depleted membership lists the needed revenue to carry on the work must be absent and without this revenue the work must of necessity be curtailed. And there is, of course, another important factor in the question. A small membership means small power to do good, leaving aside entirely the question of revenue. The influence of the Association in such matters as compulsory arbitration is in direct ratio to the number of members.

The splendid work of the boosters will be seen in



JOHN S. GREEN
Who Was Elected Second Vice-President

its true light when reflection is given to the immense field in which the Association operates. Arbitration and the dissemination of trade rule information would be valuable if there were but two members. It is doubly so when the number is increased to four, and when the number reaches into the thousands the Association then occupies its rightful field which is nation wide in its scope.

That the trade generally may know and appreciate the fine work of the members of the big booster committee it should be pointed out that 64 members of the Association secured new members during the year just closed. Of this number 35 members obtained one application each. Thirteen of them got two new members each. Three secured three each. One got four members and three landed five members each. Two secured six each and two more succeeded in each inducing seven to join. Two obtained 12 members each, while one got 13 new members. One landed 31 new members and one 24.

Surely that is a record of which the Association has every reason to be proud. Through the long summer these unselfish members worked and with no thought in mind except the consciousness that they were helping to keep the Association in the front ranks of national trade organizations.

Owing to the fact that the Association covers the entire 48 states the method of securing new members through the aid of the boosters seems to be the only practical one. It would not pay to place solicitors in the field because of the immense territory to be covered. Their salaries and traveling expenses would be much greater than the revenue they would bring in from new members. Year after year the unselfish boosters work. With them it is a labor of love. Fortunate indeed is the Association that can command such loyalty.

Recommendations

One of the directors of the Association has suggested that another section should be added to Article

IV, Page 10, of the by-laws of the Association, this new section to be known as Section 5. Section 4, of this article states that "Any member found guilty by the Department of Agriculture of a violation of Section 5 of the Grain Standards Act shall automatically stand expelled from this Association." The director in question would like the new section to read something like this:

"Section 5. Any member who has been expelled from any regular grain exchange shall automatically stand expelled from this Association."

Your secretary neither approves nor disapproves this suggestion. He is offering it simply for the consideration of the convention. The adoption of such a suggestion might help to improve the personnel of the members by the elimination of certain dealers who have been expelled from their exchanges but who continue their direct membership in the Association. But there is another matter to be considered and that is the fact that in automatically expelling such members the Association is accepting the judgment of others whose actions may or may not be just. It would mean in effect the surrender of our natural jurisdiction and the delegation to others of the power of expulsion. Should an exchange wrongfully or through misinformation expel one of its members, and should the Association accept that action automatically the directors might find themselves involved in legal action by an aggrieved member. This point may be quite remote but it nevertheless is worthy of the most earnest consideration. At any rate no such suggestion should be accepted until the matter is considered in all its phases.

Your secretary has a suggestion to offer for a change in the arbitration rules. He respectfully urges that provision be made in Article VI for the filing of sur-rebuttals. The rules at present neither forbid nor sanction sur-rebuttals. They simply do not mention them at all.

Some months ago a long dispute arose with a plaintiff who insisted that the defendant should not be permitted to file a sur-rebuttal. The arbitration rules mention the filing by the plaintiff of the petition (or argument and evidence as it is called by us,) the filing of an answer by the defendant, and the filing of a rebuttal by the plaintiff. The inference might reasonably be drawn from the rules (because they stop at the rebuttal,) that no sur-rebuttal would be permitted. It has been the practice of the secretary's office to permit sur-rebuttals in all cases where they are requested. In the case in question the defendant demanded as a right the privilege of filing a sur-rebuttal and the plaintiff objected because the rules did not provide for sur-rebuttals.

It was necessary for your secretary to take the matter up with the Board of Directors and ask for a ruling. The Board granted the defendant the right of sur-rebuttal. The defendant gave as his reason for desiring to file a sur-rebuttal the fact that the plaintiff had filed twice to his once and that equity and justice demanded he be given the privilege of filing twice also.

It is manifest that the Association cannot follow too closely the practice in the civil courts where a petition, an answer and a rebuttal are usually sufficient. It is important that litigants be satisfied with the Association's code of arbitration rules. If the proposed change is made the rights of the plaintiff will in no wise be jeopardized while the defendant will be made to feel that he also has been protected.

If the change is made it would naturally be inserted right after Section 5 of Article VI, Page 7, of the arbitration rules.

Another matter which your secretary desires to bring to the attention of the convention is the proposal to change the name of the Association from "The Grain Dealers National Association" to "The Grain and Feed Dealers National Association."

The reason for the inclusion of the word "Feed" in the title of the Association is because of the growing importance of the feed business. Three feed associations are now affiliated with the National as follows: The Eastern Federation of Feed Merchants, the Mutual Millers and Feed Dealers Association and the United States Feed Distributors Association. In addition to these there are the Vermont Grain Dealers Association and the Massachusetts Retail Grain Dealers Association most of whose members are feed as well as grain dealers. Your secretary urges that the convention give this matter its earnest consideration.

Financial Statement

The financial statement for the convention year just closed shows a surplus of \$10,736.90. This surplus is practically the same as last year, there being a decrease of but \$147.87. The surplus reported at the last convention was \$10,884.77. The slight decrease has been caused by the final payments on the cost of printing and publishing the book "Co-operation in the United States." This book was issued by the Association to meet the clamor in Congress for the passage of legislation that would "assist in the more orderly marketing" of grain. Ten-thousand copies of this book were published and distributed among members of Congress, state marketing agents, members of the American Economic Association and county agents throughout the whole country. In the last financial statement of your secretary men-

tion was made of this book which contained 126 pages. While the publication and writing of the volume cost the Association considerable money yet the good the book did in bringing to the attention of the national lawmakers the limitations of co-operation more than offset the expense. Many of the facts presented in this book were used by speakers in both the House and the Senate when the McNary-Haugen and Fess Bills were under debate.

The books of the Association are each year audited by chartered accountants whose reports are presented to the auditing committee appointed by the convention. The financial statement is as follows:

FINANCIAL STATEMENT OF THE GRAIN DEALERS NATIONAL ASSOCIATION, COVERING THE PERIOD FROM OCTOBER 12, 1925, TO OCTOBER 17, 1926, INCLUSIVE.

Cash on hand last reports	\$3,884.77	
United States Liberty Bonds	5,000.00	
Certificates of Deposit	2,000.00	\$10,884.77
Receipts		
Direct dues	\$18,817.50	
Direct memberships	3,917.50	
Associate dues	468.00	
Associate memberships	58.50	
Regular subscriptions to Who is Who	628.00	
Affiliated subscriptions to Who is Who	1,259.25	
Who is Who advertising	15,147.30	
Sundries	23.67	
Arbitration deposit fees	2,085.00	
Affiliated dues	1,259.25	
Investments	262.50	
Subscriptions to Briefs on Co-operation	181.44	
Total receipts ..	\$44,107.91	
Grand total ..		\$54,992.68
Expenditures		
Salaries	\$14,049.92	
Office supplies	1,087.05	
Express and telegrams	134.08	
General Printing ..	275.40	
Who is Who in the Grain Trade	14,609.63	
Office rent	1,935.00	
Telephone rent and tolls	122.00	
Refund arbitration deposit fees	1,120.00	
Legislative expense ..	3,426.75	
Officer's traveling expense	700.76	
Secretary's traveling expense	886.20	
Postage	1,617.00	
Sundries	204.89	
Convention expense ..	2,271.69	
Arbitration expense ..	904.23	
Transportation expense	911.18	
Total expenditures ..	\$44,255.78	
In Bank:		
Commercial account ..	\$4,409.90	
United States Liberty Bonds	5,000.00	
Certificate of deposit ..	1,000.00	
Petty cash account	327.00	
		\$10,736.90
		\$54,992.68

Conclusion

Your secretary wishes, before he closes his report, to pay a tribute to the splendid work of President Horner during his term of office. He has been your president for two years and he retires at this convention with the esteem and respect of every member. He has served you faithfully and ably. There has never been a moment during the two years when he was not ready to sacrifice his own business in the interest of the Association. The grain trade has never had a more unselfish worker. During his incumbency of the office many perplexing problems have arisen but he met them all with firmness and a clear judgment. Every member of the Association is indebted to him for the splendid manner in which he has guided the destinies of the Association during the last two years.

To the other faithful workers your secretary wishes to pay his meed of respect. Your directors have all been prompt in answering correspondence and the chairmen and members of all the six Arbitration Committees and the Appeals Committee have by their conscientious and careful work upheld both the dignity and the high standing of compulsory commercial arbitration. Mr. Reynolds, the tried and true chairman of your Legislative Committee, has labored for your interests with his accustomed zeal. Elsewhere in this report mention has been made of the splendid work of Mr. Sturtevant, chairman of the Trade Rules Committee, and Mr. Goemann, chairman of the Committee on Transportation.

Mr. Watkins: I recommend that a committee of three be appointed by the Chair to consider the recommendations made by the secretary.

(Seconded by Mr. Forbell, and carried.)

The President: I will appoint Mr. Reimann chairman, Mr. Martin of St. Louis, and Mr. Green of Louisville.

We will now have the report of the chairman of the Transportation Committee, Henry L. Goemann, of Mansfield.

REPORT OF TRANSPORTATION COMMITTEE

THE committee has answered a great many letters during the year covering various subjects of transportation as affecting grain shippers, such as transit privileges, side track agreements and liability thereunder, reconignment and diversion privileges, very, very many regarding payment of claims for grain shortages in transit. At our annual meeting last year your committee was instructed to continue their efforts to secure some relief from the conditions that existed in regards to settlement of claims for grain shortages, through legislation in Congress.

In compliance with the resolution passed we had Senator Frank B. Willis of Ohio introduce in the Senate, Bill S-4246—"To enforce the liability of common carriers for loss of or damage to grain shipped in bulk," and Bill S-4449—"To require the prompt settlement by common carriers of claims for

provisions of paragraph (14) of this section shall, in the event that claimant shall prevail in an action to recover on his claims, be liable to said claimant for a reasonable attorney's fee to be taxed and collected as part of the costs of the suit."

Western and southwestern railroads are endeavoring to increase tolerance allowances on grain shipments and have docketed this subject as per Western Trunk Line Docket Bulletin No. 1630, Item 5713 and Southwestern Freight Bureau Docket Bulletin No. 371, Item 9659, both under date of September 18, 1926.

The following is transcript of item 9659. Southwestern Freight Bureau and is the same as Western Trunk Line Item 5713.

"9659 (2) GRAIN, BETWEEN POINTS IN WESTERN TRUNK LINE TERRITORY AND POINTS IN THE SOUTHWEST.

"To publish tolerances on grain as outlined below from, to and between points in Western Trunk Line and Southwestern Freight Bureau territories::

TOTAL TOLERANCE IN POUNDS

Loads (In Pounds)	Commodity tolerance	Two Hopper Scales	Commodity and two Hopper Scales	Two Track Scales	Commodity and two Track Scales	Commodity and one Hopper and one Track Scale
60,000	75	60	135	120	195	165
66,000	82	66	148	132	214	181
70,000	87	70	157	140	227	192
77,000	96	77	173	154	250	212
80,000	100	80	180	160	260	220
88,000	110	88	198	176	286	242
100,000	125	100	225	200	325	275
110,000	137	110	247	220	357	302

loss, damage or injury to goods." Similar bills at our request were introduced in the House by Congressman E. E. Denison, of Illinois, Bill H. R.-12070, which is same as Senate Bill-4246, also Bill H. R. 12069, which is same as Senate Bill S-4449.

Bills S-4246 and H. R.-12070 are as follows:

"To enforce the liability of common carriers for loss of or damage to grain shipped in bulk.

"Sec. 1.—Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That Section 20 of the Interstate Commerce Act, as amended, is amended by adding at the end thereof the following new paragraph:

"(13) Any portion of a schedule filed with the commission which contains any provision exempting, or purporting to exempt, direct or indirectly, any common carrier subject to the provision of this Act from the full liability imposed by paragraph (11) of this section shall be void to the extent that it limits such full liability, and its use shall be unlawful; and the commission shall have, and is hereby given, authority, either upon complaint or upon its own initiative without complaint, at once, but either before or after the schedule becomes effective, to suspend the operation, or further operation, of such portion of such schedule, and defer its use, or its further use, for and until the carrier shall by appropriate amendment to such schedule eliminate that portion of the schedule which exempts, or purports to exempt directly or indirectly, the said carrier from the full liability imposed by paragraph (11) of this section: Provided, That any schedule filed or tendered for filing may provide for a tolerance allowance not exceeding one-tenth of 1 per centum of the weight tendered the carrier for shipment, but not exceeding the amount of loss of or damage or injury to the grain shipped in bulk which the carrier proves resulted from the inherent nature of the goods to which the carrier in no way contributed, in the settlement of claims for loss of or damage or injury to grain shipped in bulk."

"SEC. 2. This Act shall become effective on the sixtieth day after its passage.

Bills S-4449 and H. R.-12069 are as follows:

"To require the prompt settlement by common carriers of claims for loss, damage, or injury to goods.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Interstate Commerce Act, as amended, is amended by adding at the end thereof the following new paragraphs:

"(14) That any common carrier, railroad, or transportation company, subject to the provisions of the Act, is hereby required to settle all claims for loss, damages, or injury to property in respect of which liability is imposed on such common carrier, railroad, or transportation company by paragraph (11) of this section, within six months from the filing of written claim for said loss, damage, or injury with said common carrier, railroad, or transportation company. Any common carrier, railroad, or transportation company failing to settle such claims as herein required shall be liable to the claimant for the amount of his claim, and as additional damages 50 per centum per annum interest on the principal sum of said claim from the date of its filing, with a minimum of \$25 damages in each case, in addition to actual damages, all of which may be recovered in the same suit: Provided, That this section shall only apply when the amount claimed is \$200 or less.

"(15) That any common carrier, railroad, or transportation company who fails to comply with the

Column 1 shows the capacity and 110 per cent of capacity of the cars ordinarily used for the transportation of bulk grain.

Column 2 is one-eighth of 1 per cent of the value shown in Column 1 representing invisible loss and waste incident to the handling of bulk grain from scales to cars in loading, and from cars to scales in unloading.

Column 3 represents the tolerance for the two hopper scales used, namely, one-twentieth of 1 per cent for the loading hopper scale, and one-twentieth of 1 per cent for the unloading hopper scale, or two twentieths (one-tenth) of 1 per cent for two hopper scales.

Column 4 shows the totals of Columns 2 and 3, or the total tolerances applicable for the commodity and two hopper scales used.

Column 5 represents the tolerance when two track scales (each one-tenth of 1 per cent) are used one at the loading point and the other at the unloading point.

Column 6 shows the totals of Columns 2 and 5, or the total tolerances applicable for the commodity and two truck scales used.

Column 7 shows the total tolerances applicable for the commodity and one track scale and one hopper scale.

Definition of Tolerance

The term "Tolerance" as used herein means the difference in weights due to variations in scales and fluctuations in the weight of the commodity which are recognized by competent authority.

To publish tolerance as recommended by Committee on weighing and inspection of freight traffic which was compiled from I. C. C. Docket 9009. Tolerances to be published in tariffs for guidance of carriers agents in the handling and disposition of questions involving alleged loss of bulk grain based on difference between loading and unloading weights.

Tolerance Deductions Protested

I have notified Chairman E. B. Boyd, of Western Trunk Line Committee, also Chairman F. A. Leland, of Southwestern Freight Bureau, protesting against the new tolerance deductions, advising if submitted to Interstate Commerce Commission by tariff publication we would request the Commission to suspend the tariffs and also have requested to be advised of date of hearing if carriers grant a public hearing.

In my judgment the total tolerances worked out by the carriers, as per their docket item are unreasonable and excessive and the tentative agreement that was reached by our committee and a committee of the American Railway Association a year or more ago, of a uniform deduction of 1/4 of 1 per cent should be the maximum allowance the grain shippers should allow. Furthermore should the rules as outlined by the Western roads become a part of the tariff, it would mean their being no provision for payments of claims for shortages, when such grain shipments are weighed over automatic scales or weighing devices other than track and hopper scale, that all such claims would very likely be declined and payment refused by the carriers. Anyway it will mean there will be no uniformity in settlement of claims for loss of grain in transit when weighed over scales other than named in the tariff and it will bring about a great deal of discrimination.

The law, of course, protects the shipper, as he is entitled to recover for any loss in transit from the carrier, but it will mean that he will have to file suit for each and every car and the cost of same will be such that the average shipper cannot afford to file suit for his losses and it will mean absorbing

same, thus increasing the cost of handling and marketing grain.

In view of the above action of western railroads I hope you will pass a resolution at this meeting authorizing me to amend the bills now before Congress so as to protect fully the shipper's interest without changing the benefits now his under the common law, and to employ counsel if necessary.

I believe the relief the grain shippers want will have to come through Congress and these two bills are therefore important and I sincerely hope every grain dealer when asked to write his Senator and Congressman, will do so and express to him his personal views of the need of this legislation in keeping down the cost of marketing grain.

Mr. Goemann: This is the unanimous report of the Committee. A short time ago we took up, with the advice of counsel, with the Interstate Commerce Commission the matter regarding these deductions, and I have had some correspondence with Chairman Eastman of the Commission. I doubt very much whether we can get any relief before the Interstate Commerce Commission, and I know we cannot unless we file a formal complaint, which is quite expensive. The question arises, in view of their action in the Crouch case in Texas, where they decided that 1/4 of 1 per cent was a fair deduction—and they defend themselves by saying the testimony submitted was such that they thought that was fair, and to avoid discrimination they recommended that reduction, not that it is the law, or that they had the right to do it as a matter of law, but as a right under the rules and regulations which the law gives them and to prevent discrimination—in view of that I doubt very much whether we can get relief by filing a formal complaint, and I think we should try to amend that one bill to prevent any future efforts on the part of the carriers to work out any scale of tolerances as they have on this docket for the southwestern roads, because this means just the beginning with the freight associations on that proposition; it will carry through all the associations in the American Railway Association, and we will get some tariffs that we don't want. While we know that is illegal in the tariff yet it means a suit. In most cases the agent will say "That is in the tariff and is the law," and so the deduction will prevail. I feel this is a very important matter. Under date of October 12 I noticed the statement that Representative Polk favors legislation to bring about reduction in rates. Mr. Polk has been interested in the reduction of rates. If the Commission work is decentralized and put under sectional control, it is more than ever necessary for us to get passed and made a part of the Transportation Act these deductions we are asking for, minimized to 1/10, or, if that is the wish of the convention, 1/2 of 1 per cent. If we do not, we are likely to get some rulings in some sections that will be discriminatory against other sections. I think our work should be with Congress, to see that these questions are threshed out fully, before the Committee, and if possible to get them to take our view and pass the law. I saw Senator Willis the other day. He was making campaign speeches, and said "Don't bother me now, but come down to Washington, and I will do what I can." I think we can get the support of Senator Willis to amend these bills in the way we feel is necessary.

I have been conferring with the Weighmasters Association here. They are the weighmasters of nearly all the terminal markets, and some of the carriers are on that Committee, men who make a study of the scales and weighing facilities at terminal points. I told them I felt they had been insincere and had broken faith with us after our conference, where they tentatively agreed on 1/8 of 1 per cent, and then had allowed under a subterfuge their claim department to change it. I have been gathering data, and have been receiving much information from the weighing departments of different cities and different states. In the discussion the weighmasters at Minneapolis and Duluth and Superior showed a movement of 36 cars which had an average shrinkage of 74 pounds, less than 1/10 of 1 per cent. In talking with an Ohio grain shipper last night on the train, he told me of shipping 30,000 bushels of wheat, taking the wheat from the farmer out on a track scale, and then taking the out-turn weights at Columbus, Ohio, there were 1,448 pounds, or about 74 pounds to a car on a 90,000 pound load, whereas 1/10 would amount to 90 pounds, and 1/2 would amount to 112 1/2; so we are well under in wheat. My contention with the weighmasters was that if it is possible to show this, we should not punish the man who had the facilities for weighing accurately, and who watched his cars and got them right, and that it is the duty of the carrier under the law, and the burden of proof is upon him, if those weights at the other points when they are in excess of that, are not correct.

I would like an instruction from the convention to continue this work with Congress, and to be given the authority to try to have the bill amended, with legal advice as to what is necessary to make it correct, and then endeavor to get it through; and I would like to ask the shippers to give me out-turn weights showing loss in transit, and showing whether shipments were in good order cars, or whatever they are, so that we can get a mass of information with which to rebut the evidence of the carriers, who are today in a posi-

tion to know absolutely the facilities of every scale in every elevator and mill. Their men are there and they have access to the books and records, and are in a position to get all the data. Our contention must be that if it is possible, and we can prove this accuracy, that should be the basis of the law, and that the burden of proof is on them to prove the contrary.

I talked with James Webster of the New York Central, when I got notice of this docket number. He is chairman of the General Committee of the American Railway Association. I complained of the insincerity of the carriers in accepting this tentative agreement, when they evidently had a mental reservation to amend this. He sent it to Mr. Maegley, who is chairman of the regular committee of the American Railway Association, and who, I think, is the father of these dockets. Mr. Maegley tells me I am unduly alarmed, that the intention was to make it the basis for settling freight charges between two terminals; that after making the deductions as outlined here for the inherent nature of the goods, and for the scale differences, they would collect freight charges on the difference. But the Southwestern Bureau tariff does not say that. It is clear it will go into the tariffs and will be used as a basis by the claim departments on which to settle the claims.

Mr. Sturtevant: I have had an opportunity to be somewhat acquainted with Mr. Goemann's work on this subject, and he is doing wonderful work for us, a tedious detailed work that is hard to appreciate for any one who isn't right in it. I move that Mr. Goemann be thanked by the Association for his work, that he be authorized to proceed, and, with the consent of the Executive Committee, to employ counsel to further his work.

(Seconded by Mr. Green, and carried.)

Mr. Goemann: I would like to urge that you assist



HENRY L. GOEMANN

by sending me such evidence as will bear out the accuracy of weights in transit, because we shall have to meet their mass of testimony.

Mr. Green: Would you want the weights at the terminal market?

Mr. Goemann: Yes, or from country points to a terminal market. While we cannot take up the matter of automatic scales, this Committee on instructions from the chairman of the larger Committee, appointed six from the shippers and six from the carriers on this subject. I was chairman of the Shippers' Committee and chairman of the Joint Committee, and have been following this closely for 10 years or more. The carriers were all opposed to the automatic scale.

Mr. Green: I do not believe you will get them to change it.

Mr. Goemann: The Richardson Scale Company published a statement, giving the weight of nine cars of grain at St. Louis. My recollection is it was 354 pounds on the total of the nine cars, which was 1/54 of 1 per cent of shrinkage. I have had some correspondence with the scale company. They were represented in the original hearing, and we drew up the specifications, and the Commission tentatively adopted them. On the basis of the automatic scale the carriers broke with us on the report, and made a separate report. The track scale had previously been accepted by the carriers and the scale manufacturers, as well as by the Board in Washington. We took up the question of the hopper scale. The Association called a conference of the scale manufacturers and the shippers, and we had the representative of the Bureau of Standards at Washington present. At our conference we finally agreed upon specifications which the Bureau of Standards changed in a small way, and it

was accepted by the scale manufacturers and the shippers. I submitted that recommendation to the Interstate Commerce Commission, and they accepted the amended specification tentatively, as they always do. So that we have in the hopper scale and the track scale the backing of the Bureau of Standards at Washington and of the Interstate Commerce Commission for the accuracy of those two weights. The automatic scale has only the recommendation of the Shippers' Committee. We cannot stand back of that, because we do not know just what to do, and it is for the scale companies to support it. I have written to Mr. Godfrey to give me such information as we can use, because we cannot afford to allow to go into the tariff an item that does not carry with it some liability on which the automatic scale matter will be settled. Outside of the terminal markets, I imagine that 95 per cent of the weights in both mills and elevators are taken on automatic scales. The weighmaster for the State of Minnesota stated that the automatic scales which they use are 100-bushel scales. I think very few of the country elevators use scales as large as 100-bushel scales. So the question arises as to just what can be proved by those manufacturers from their tests as to accuracy. In presenting this matter, we must carry with us the support of the automatic scale companies, because our organizations, being made up so largely of country shippers, our legislation must protect the country shipper, and it is for the interest of the grain trade to help protect the country shipper in every way possible, and improve this situation. If their weights are incorrect, we should find that out. I said to Mr. Maegley and Col. Dodge that any time they wanted a joint committee, I would make a trip into this western territory and see what the conditions really are.

Mr. Green: Would it be pertinent for my firm to take one purchase of 10 cars from Minneapolis to our own plant, and give you that information.

Mr. Goemann: Yes, it would.

Mr. Sturtevant: Wouldn't it be better to get a whole year's movement?

Mr. Goemann: Yes, if they have it.

Mr. Green: I bought recently from Minneapolis 10 cars of heavy Montana type oats. They were all 80's, and I was surprised to find the average loss less than 70 pounds per car on 80,000 pound cars. Carrying that distance, it shows the thing is practically accurate.

Mr. Goemann: That would be very good evidence, and is what we need. My position is that if we can prove that say in 5 to 10 per cent of these movements there is this accuracy, it is not the right of Congress or the Interstate Commerce Commission to penalize that accuracy. There is no one who would say that that 10 per cent should be penalized. I would like to prove that in actual shipments the tolerance should not be any greater.

Mr. Ripplin, St. Louis: As it appears from the statement that the greatest difficulty is with respect to the automatic scales used in the country, this representative of the scale manufacturer who went through all the hearing with Mr. Goemann and the Committee, should furnish Mr. Goemann the weights of the cars, and then the information can be referred to the market representatives, and we can furnish him the weights on those, and he can see what records they make.

Mr. Goemann: I have already written Mr. Godfrey of the scale company, and called his attention to the letter he wrote me last March, wherein he said he did not think they would ever agree on tolerance. I have asked him to furnish me what information he has.

Mr. Ripplin: Wherever they go to a market, those out-turn weights can be furnished by the markets. If the scale company will furnish you a list of cars, we can give you the out-turn weights. So far as I know, the markets will all support Mr. Goemann in his opposition to the proposed tariffs.

Mr. Goemann: With the exception of a few.

The President: Has any one else any views he would like to express on these matters included in Mr. Goemann's report? If not, this finishes our work for the morning, and we will now adjourn until 9:30 tomorrow morning.

TUESDAY SESSION

The convention was called to order by the president at 10:00 a. m.

The President: It is my very great privilege this morning to present to you a man who has had a broad experience as Secretary of the American Farm Bureau Association, as Secretary of the Grain Marketing Company, and official connection with a great many other farm organizations, and who is now a partner of our director, J. R. Murrel, of Cedar Rapids, Iowa, in the Cedar Rapids Food Products Company. He has seen us from the inside and has seen us from the outside. He ought to be able to help us realize that well known wish so well expressed by Bobbie Burns when he said

"O, wad some power the giftie gie us,
To see ourselves as others see us."

Mr. John W. Coverdale, of Cedar Rapids.

Mr. Coverdale: Mr. President and gentlemen of the convention: I can scarcely blame you for being a little late this morning, after the fine program of yesterday, the very educational trip through the harbor yesterday afternoon, and the splendid entertainment last evening. The few remarks I may make to you this

morning are something very close to my heart, and in order to prevent myself from being misquoted I am going to stick pretty close to my text.

I sometimes think on an occasion of this kind that the condition that is facing American agriculture today and that is facing the grain trade and grain business is something like a story I heard not long ago about the bull and bumblebee, who got into a sort of scrap among themselves. This bull happened to be out in a wonderful Clover field grazing away one day, and a bumblebee was sitting on a beautiful clover blossom, sucking out the honey. The bull was going along, and finally he came to this fine bunch of Clover, and he said to himself "That is a nice bunch. I will eat it." He ate it, and took Mr. Bumblebee into his mouth. It made the bumblebee mad, and he said "I am going to give you a right good stinging for this," but finally he said "This isn't a very good place; it is too juicy in here and too sweet. I will wait a little while." And he slipped down into the bull's throat. He said "This is too slippery in here to sting. I will wait a little, and then give him a real stinging." Finally he went on down into the bull's stomach. He looked around and said "This is a big roomy place. I am sleepy and tired. I will sleep a little while, and when I wake up I will give you a good sting." But when he woke up the bull was gone (Laughter). I am just wondering whether we as grain men are fully awake to the situation, and whether we have stopped to analyze it.

ADDRESS BY J. W. COVERDALE

AGRICULTURE since 1920 has been passing through an economic readjustment, and very radical changes are taking place in the industry. The old idea of the farm as a home and dependence upon an increase in land values for an increase in wealth has given way to a thought of profit in agriculture. With the depression in land values, a method other than increased valuations must be found in paying off farm mortgages. The balance sheet and the profit sheet are becoming a definite part of the industry.

Prosperity for the middle western grain producer or dealer will not come from Washington; neither will it come from new methods of marketing unless founded on sound business practices worked out by years of experience in that industry. Artificial methods of price control may be of assistance temporarily, but in the long run only tend to unbalance the industry.

The development of home industry that will take the raw products of the farm and turn them into a highly concentrated form will do more for the corn belt in establishing a higher stabilized price level (thereby creating a permanent prosperity) than all the legislative and marketing nostrums combined.

The attack upon Washington last spring by the corn area group has given especially Iowa a set back that will take years to overcome. That pilgrimage has made my state the laughing stock of the nation. What may have looked to the leaders of that group as a master play, has upset the financial connections between the money centers of the East and Iowa until that state again proves she is sound, conservative and constructive.

The products of the great Mississippi Valley are produced on fertile land of high value, the producer maintaining a fair standard of living and the production a long ways from the consumer. The surplus products which are sold in foreign markets must compete with the same kind of products from other nations with cheaper lands, lower standards of living, and cheaper forms of transportation. The American farmer has become very efficient as to the use of man power in production, and yet he is unable to meet the competition of his foreign neighbor.

Standardization, quality products, efficient production with good management is 90 per cent of the Middle West farm problem today. Soil fertility is fast being either carted to market, or washed down the rivers to the sea. More legumes means better soil. Better soil means larger yields of better quality, which in turn cheapens production per bushel, and thereby makes a better opportunity for profit.

The enactment into law of the recent McNary Amendment to the Co-operative Marketing Bill that was defeated in the United States Senate, which was said both on and off the floor of Congress to represent the deliberate and final conclusions of the Committee of Twenty Two, certain farm leaders and some farm paper editors, is a measure of exceeding benefit to all packers and millers. The bill, after setting up a Federal Farm Board, gives the Board definite authorization regarding the disposition of the surpluses of certain "basic agricultural commodities." In Section 15, Paragraph D of the bill, the Board is instructed to "assist in removing or withholding the surpluses of such basic agricultural commodities by entering into agreements with co-operative associations engaged in such basic commodities or its food products, or with corporations or associations created by one or more of such co-operative associations, or with persons engaged in processing such basic agricultural commodity or its food products."

No other method is provided to assist the farmer in disposing of his surpluses. Every well informed persons knows there are no co-operative associations

now, nor has there ever been, that functions such as is contemplated by this measure.

It is rather interesting to note that Congress does not look with favor upon the development of such co-operative associations, since some of our farm leaders and farm paper editors have united with the representatives of the industrial east in defeating any measure designed to assist in developing unified terminal marketing by co-operatives. Thus the gate of action is closed to all non-profit agencies, and this activity restricted to "persons engaged in processing."

These persons engaged in processing are later defined in the bill as "millers, packers and cotton ginners." This bill carries a guarantee to these processors of "the amount of losses, costs and charges of any such association, corporation or person arising out of the purchase, storage, sale or other disposition of such basic agricultural commodity." It specifically authorizes furnishing capital with all the advantages of the cost plus system of the war time contracts.

The Federal Grain Corporation, during the war, had no more absolute control over deliveries, prices, storage and destination. And not only is the guarantee against losses definitely made, but the Board is specifically authorized to have the miller and packer "collect the equalization fee from the farmer," which fee, together with the \$250,000,000 which is to be appropriated by Congress, is the security pledge which guarantees them in the first instance the



J. W. COVERDALE

farmer's business, next against loss, and then assures their profits.

I am still a Story County, Iowa, farmer. I am still loyal to my fellow farmer and our farm organizations, but if I were to forget the past with all its cherished friendships and hard fought battles, and view the matter from my purely selfish interest, I would be compelled to give this bill my full approval and cordial support.

Agriculture is the nation's greatest industry. Industry, in order to succeed, must have an efficient sales organization. Agriculture has failed to keep pace with other industries in that respect. There are many agencies posing as agricultural sales organizations, but in reality they are simply levying a toll on this industry.

The farmers' efforts at co-operative marketing are merely a protest against present sales methods, and is a feeble effort to create something that will meet the situation. Co-operative marketing as it is now being exploited is fast degenerating into a political organization and carries small hope. Its leaders now come mainly from three sources, viz: the retired farmer who works for little or nothing, or the son or henchman of the leader of the co-operative group, or the bankrupt farmer who is able to control enough votes to elect himself head of the organization, and out of this last group is fast coming the leadership of the farm movements.

Agriculture does not need the grain dealer as he now exists, or co-operative marketing, or a price fixing commission, or an export corporation to handle the surpluses, but it does need an efficient sales organization that can sell into the best markets, one that can study and interpret the markets, one that can develop new markets, one that can direct the production department of the farm.

During the past, practically the only thing con-

sidered in the sale of agricultural products was price. A high price to the industry was accepted as prosperity, and a low price meant stagnation. Today agriculture is thinking in the terms of profit. Dollar corn is not the slogan. The producer is now thinking of corn that can be sold for more than cost of production. The farmer is beginning to realize he must not only get a price, but that he must produce efficiently if he is going to meet the same product from his foreign neighbor on the world's market. He now sees that he must not only get a large return per acre, but a higher return per worker; that he must have good and efficient production equipment and learn to use it efficiently. Average results are not his aim, but if he is to succeed his practices must be the best in the industry.

Studies by our agricultural colleges of the corn belt show a wide variation as to efficiency in production. Out of 100 farms, taken as they come on most any road, the cost of producing corn, less interest and depreciation, will vary from 15 cents per bushel up to 75 cents per bushel, a variation that would ruin any other industry in a very short time. In production, agriculture is beginning to find out what industry has known for many years, namely, that average results means merely a living, and that profit comes only from better than average results.

Agriculture, in addition to studying efficiency, is studying the value of exchange. It is beginning to find out that the difference in price of commodities is not as important as the difference in the ability to produce. In 1890 a worker in agriculture could produce in one hour that which would exchange for what the man of industry produced in one hour. The ratio of exchange at the present time is 2.18 hours for the farmers, to one hour for the industrial worker.

The farmer is finding that industrial pre-eminence is due to power and equipment. A recent bulletin of the United States Department of Agriculture shows that the American farm worker is more efficient than those of other countries, and that the Nebraska worker has the largest income. For instance:

	Number	Horses	Annual Income
	per	per	
	100 Workers	Man Workers	
Italy	19	\$ 45.00	
France	37	90.00	
Germany	55	119.00	
United Kingdom	88	126.00	
United States	205	292.00	
Alabama	81	112.00	
New York	169	250.00	
Indiana	246	365.00	
Iowa	386	595.00	
Nebraska	471	910.00	

The following table shows that there has been a decrease in the number of man hours necessary to raising an acre of corn since 1850: In 1850, it took 56 man hours to produce one acre of corn; in 1900, it took 20 man hours; in 1920, it took 17 man hours.

Best practices now show less than 10 man hours per acre with best equipment.

The trend, then, is industrialization of agriculture. Perhaps consolidation of farms into larger units, to be operated on the same principles as a factory will soon become a reality. The engineer who put efficiency into industry is badly needed now to step into the agricultural industry.

When you stop to consider that in the great Middle West, where dissatisfaction is being voiced by organized agriculture, 8 per cent of the nation's food stuff is produced. The center of population and the industry of the nation is east of the production center and the transportation of the raw material makes up a large portion of sales expense. It takes about 11 to 12 bushels of corn to produce a 100-pound box of ham or bacon. If the corn could be manufactured into pork and the pork into ham and bacon in the center of the corn producing area, then the finished product could stand a higher transportation cost without disastrous results to the producer. One bushel of corn transferred into sugar, syrup, starch, gluten feed and many other by-products is greatly enhanced in value and requires a large number of families who in turn spend their earnings in the community in which they reside. The processing of fodder and feeds should be nearer the heart of production. The many uses of oats and other grains would bring about the same results.

The manufacture of alcohol formerly consumed large quantities of grain. However, before Volstead cut off the manufacturing of same, black strap molasses from out side the states became a lively contender for the distiller's market. So far, industry is not using up that portion of grain which formerly went through the distilleries.

Would it not be a splendid investment for the Government to make sufficient appropriations for industrial research work in commercial uses of grains and grain products, all new discoveries from such research work to be protected by royalties sufficient to make the work self-sustaining? Industries can and are now doing a great amount of development work along this line, providing the discovery fits into their operations. What we need is additional development that will make it possible for other great industries to spring up in the nation.

And lastly, after all these aids to better production

and marketing are in use, still another series of progressive steps may be taken which will amount to a considerable savings, part of which the producer is entitled to, and part belongs to the grain merchant. The success of this program and the future of the grain merchant to my mind is heavily involved, and the carrying out of it means a completed grain marketing program for the nation.

In the State of Iowa, for instance, there are about 1,700 grain elevators. In some towns we find as many as four or five elevators competing with each other. It costs on the average around \$5,000 a year overhead on a country elevator. If two houses are in the same town, the overhead sales expense of the grain in that community is \$10,000. If three houses exist, then the sales tax on the community is around \$15,000. The telephone, radio, auto truck, and good roads have made neighboring towns competitors to the extent that one-half cent per bushel will often move grain from one town to another; thus the need of competition in the same town is eliminated. If 600 stations in Iowa having two or more elevators were consolidated into one elevator in each town, an overhead sales expense of better than \$2,500,000 a year could be practically saved to the producers of grain at those points. Two and one-half million dollars is a 6 per cent dividend on a \$40,000,000 investment, or 10 per cent on a \$25,000,000 investment. A consolidation of two-thirds of the country elevators at competing points in the grain belt would save in overhead sales expense better than \$30,000,000 annually.

Thus, again I say that the farmer efforts at co-operative marketing are merely a protest against present sales methods, and are a feeble effort to create something that will meet the situation.

One of the big present day questions in agriculture



C. T. DOORTY, BUFFALO, N. Y.
Announced Points of Interest on Boat Trip

is co-operative marketing and co-operative merchandising. Our past economic unbalance has caused a large number of people to believe that our marketing systems are wrong. Perhaps they are; some more than others. This same complaint has been common in every economic depression since history records the actions of mankind. Co-operative marketing, if rightly conducted, will do much to bring about the standardization of product in quality and uniformity, which are both necessary before good marketing can be practiced. The friends of co-operative marketing have been its worst enemies, because they have oversold it in practically every case to the farmer as a panacea or cure-all for all his trouble. The farmer has been told that co-operative marketing is the magic wand that will turn his farm and farm life from a life of hard work, and often low returns, to a beautiful garden, and the returns to be fabulous and the home life to become so attractive that the urbanite would soon become dissatisfied and forsake the city.

Co-operative marketing as it is now being conducted requires special privileges through legislation, and at once becomes the target for its competitor in business, and, so far, has not been able to meet the competition. The object of co-operation is to seek the best market at the least possible cost, and to return the surplus earnings to the member on a pro-rata basis. Experience has taught me that the farmer cannot keep his cake and eat it too. He must learn that he must pay well for the use of capital, whether he borrows it or provides it himself.

The attempts to create public agencies to supplant existing agencies of distribution by means of Federal or state aid, and by means of law enactments of the kind and character which are now on the books of many states, are, in effect, attempting to change human nature by law, because the first step in co-operation is the practice of self-restraint on the part of those who would co-operate.

When individual producers get into the frame of mind where they actually want to co-operate with others of the same frame of mind, they can do it

without law enactments and without public aid, but must first take inventory of themselves and find out which of their personal liberties must be sacrificed for the sale of co-operation, public agencies would thrust upon them. They cannot have both public aid and all of their personal liberties at one and the same time, any more than independent dealers can have business all their own way, and without competition and the usual legal restraints.

All that any substantial business man wants is a fair field and no favor. When producers get into this same frame of mind, divest themselves of public aid and prepare themselves to conduct their business as business should be run, they will succeed.

A business enterprise, to succeed, should have few handicaps, and most everyone will agree that the straight corporation is freer from legal entanglements than the co-operatives. Therefore, I maintain that many of the future national and regional marketing programs will be worked out on the straight business corporation plan. A corporation can do business for anybody without restraint, and thus serve the community. A corporation can limit the earnings on the capital invested, but must make them high enough to attract working capital. A corporation can divide its surplus earnings with its stockholder customers. It can be managed efficiently because it can enlarge or contract its business as conditions warrant, because it does not have to depend upon its membership to furnish the business. It gets business because it can meet competition.

Co-operative marketing is much like Government ownership and operation. It requires much overhead, and loses efficiency as it increases in size.

The marketing enterprise that succeeds in a community over a period of years is the enterprise that renders satisfactory service to the public of the community. The future of the grain merchant will depend upon how well he renders that service to the people of his community. Whenever and wherever there is talk of competition, then it is time for that enterprise to take inventory of the situation and find out what is wrong, and then immediately proceed to correct it.

As a general rule, the people are swayed by some local leader of influence in the community who has an ax to grind. However, there are many cases where the local merchant has been to blame, and what he has done often creates suspicion at other points.

The proposed agricultural relief legislation sounds fine in theory, but before committing ourselves, we should try and figure out how it will work in actual practice. I believe that the Iowa corn crop should be worth \$1 per bushel at the local market, in order that it may become a profitable cash crop. Will an export corporation get the dollar, or will it cause the price to go the other way? In order to determine the results, we should look into the matter of surplus, the amount we have to export, what countries will buy what quantity, and what uses they will make of it.

The economic function of a market is to secure a price which equals supply and demand influences. The correct price of a product is the price that will move the entire crop into consumption without a shortage or a carryover.

In 1924 the corn crop of the United States was about 2,500,000 bushels, and the Iowa farmers received practically \$1 per bushel. In 1925 the crop was increased 500,000 bushels, and the price in Iowa was about 60 cents. With these figures in mind, how much must be exported from the 1925 crop, to bring the price to the 1924 level? On paper, the surplus is 500,000,000 bushels, plus the 50,000,000 exported in 1924. However, most of the proponents of the bill figure that 250,000,000 bushels exported will equalize the price. The demand from foreign countries for corn has never reached 250,000,000 bushels any one year, and normally is much under this amount. The principal purchasing districts are: Europe, Canada and Cuba. The exporting nations are the United States, Argentina and South Africa; Argentina selling more than all of the other various export nations combined.

The use these nations have for corn is generally believed to be human consumption. A general study shows that more than 90 per cent of it goes into animal feeds rather than human food. For a large number of years, efforts have been made to educate Europe to use corn for food, but with very poor success. This is not surprising when we analyze the small percentage of corn we consume on our own tables.

The Corn Area Committee, in its resolutions, proposes to double and treble the world export of corn. The proponents of the bill say, "Send it over, get it out of the country, regardless of price." There can be but one result from such a course. The European farmer would get his feeds very much cheaper than the corn belt farmer would get his; the European farmer would have lower costs of production than would the corn belt farmer. His dairy products and pork products would undersell ours in the world market. We export normally around 25 per cent of our pork products. Our Corn Area Committee proposes to turn all that trade to Denmark and the European countries, because they advocate a measure which will enable the competitor of the midwest farmer to beat him at his own game. Put the pro-

posed agricultural relief bill in effect, and the live stock industry of America is gone. The day of low priced hogs will be back.

Men in every community, through their efficiency, have prospered during the past six years. It is true there have been a large number of farm failures, and no form of assistance, Government or otherwise, will save them at this time.

General business has a record almost parallel to that of agriculture when proportional numbers are compared, and their only salvation of life has been consolidation. It is possible that consolidation will enable the farmer to meet his competition.

The politician's—and would-be politician's—cry that American agriculture is fast turning to peasantry, will never materialize, for two very important reasons: (1) No peasant type of farming can compete with America's large scale production, (2) No peasant type of mind can practice the American type of farming as it is today.

American agriculture has accepted too many of the practices of the modern industrial factory to ever hope to retrace its steps. Agriculture must industrialize to the place that it can hold its own as a business in an industrialized world. Why not help place agriculture on an equal standing with other industries?

Yes, there is a bright future for the grain merchant when he fully awakens to the situation, and learns the full meaning of co-operation as the farmer must learn by years of experience that co-operation is not the putting of the other fellow out of business, but on the other hand, both the farmer and the producer and dealer learning to understand co-operation to



GEORGE B. WOOD AND E. E. McCONNELL
Committee Chairmen Always on Deck

mean a closer relationship between the business man of the farm and the business man of the town. The success of each is more or less dependent on the success of the other, and every effort should be made to cement this relationship more closely.

Mr. Wayne: At yesterday's session I suggested the matter of increased membership be brought up at this morning's meeting. The slogan is "Every Member Get a Member." There is no reason why every member should not be able to get a member for next year. We have had printed a little card for each member to sign. It reads as follows: "I hereby pledge my best efforts to secure at least one new member for the Grain Dealers National Association during the year of 1927," name, name of company, and address. If it is proper at this time, I move these cards be circulated and the signatures secured. That is one of the important things for this meeting to take up and push. Perhaps yesterday I was misunderstood when I suggested that if we could not get a member, we could underwrite one. It is, of course, much better to secure a member, for he may continue with us for many years, whereas if some one underwrites a member, he might not retain the membership more than the one year. I think the effort put forth by each individual to secure a member will be well worth while.

Mr. Eikenberry: I would like to emphasize the importance of securing and retaining the membership of the future dealers of the country in our national association. It is of fundamental importance. The value of this Association depends upon its membership, as much as the value of advertising in the newspapers depends upon the subscription list. The moral influence and weight of the Association grows as the Association grows, and I would endorse the plan proposed by Mr. Wayne and those having the matter under discussion yesterday, that every member make an effort to secure a member. I especially ask that the cards be received and signed generously, because this is the least we can do for the Association. The Asso-

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ciation depends altogether on its membership being representative of the trade. I second the motion.
(Motion carried, and cards circulated and later collected.)

Mr. Reynolds: I think this Association would be remiss if it failed to give special recognition to this magnificent address we have had from Mr. Coverdale, covering so splendidly as it does the entire field. I think we are under very great obligations to him for coming here and giving of his time to address us as no other one with whom I am acquainted would be able to do at this time. I therefore move that this Association by rising vote extend to Mr. Coverdale its thanks and appreciation for the very splendid address he has given us.

(Seconded by E. T. Custenborder, nad unanimously carried by standing vote.)

The President: Our next address this morning will be on "Co-operation and Wheat Pooling in Canada." by a man who perhaps better than any other man in the Dominion is qualified to enlighten us on the various cross-currents in the agrarian movement in Canada. It is a pleasure this morning to welcome here, as a representative of the Canadian grain trade and as a citizen of the country that is nearer and dearer to us in every particular than any other in the world. Mr. W. Sanford Evans, of Winnipeg.

Mr. Evans: Mr. President and Gentlemen: I have deeply appreciated the invitation to discuss with you for a short time today the very interesting and important subject of the Canadian wheat movement. In no respect are our two countries more intimately in touch than in connection with the marketing and movement of grain. When a Canadian comes to Buffalo, he does not come as to a foreign country, but to Canada's chief lake port. And our Montreal last year was the greatest United States port for the export of United States wheat. My subject is a very big one, and I cannot attempt to compass all, even of the very impor-

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past 20 years has been subject to investigation by Government commissions and partly on the reports of these commissions and partly on direct representations from the producers and from the grain trade, a system of regulation under law has been built up. This regulation is exercised by the Dominion Government under a statute entitled "The Canada Grain Act", through a board of three commissioners known as the "Board of Grain Commissioners for Canada." Regulation in Canada is therefore a Federal matter and in the hands of a single administrative body. Questions have been raised from time to time as to the constitutional right of the Dominion of using some of the powers claimed in this act, which may fall within the exclusive jurisdiction of the Provinces, but the advantages of uniform control by a single body, as against multiform control by several provincial boards, are so obvious that there has been no disposition to seriously challenge the position of the Dominion.

In brief, the Dominion, through the Board of Grain Commissioners, regulates all cash transactions between traders and producers, fixing the forms of contracts and requiring all these primary traders to take out annual licenses from the Board and to furnish bonds. All elevator owners in Canada are also licensed and controlled by the Board and all must operate within the maximum charges for services fixed from year to year by the Board. The railways are also under control with respect to car distribution, the providing of loading platforms, etc.

The Dominion Government, either directly or through harbor commissions has constructed several terminal and seaboard elevators which are operated in competition with privately owned elevators, but under the same regulations.

The Board of Grain Commissioners has the exclusive right in Canada to grade grain and all grain that passes through inspection points must be graded.

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Cedar Rapids, IowaW. G. KIRKPATRICK
Great Falls, Mont.A. H. HANKERSON
San Francisco, Calif.DONALD A. DAILEY
Rochester, N. Y.

DIRECTORS OF THE GRAIN DEALERS NATIONAL ASSOCIATION FOR THE YEAR OF 1925-1926

W. CAREY COOK
Fort Collins, Colo.L. W. FORBELL
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Delavan, Ill.H. M. STRATTON
Milwaukee, Wis.

tant parts. No one could unless he had the powers of condensation of that Canadian soldier, who during the War years was sent on some mission to Washington. When he left Canada, winter was lingering fondly in the lap of spring, and he still wore his winter underwear. When he reached Washington, however, summer had sent forward some advance scouts, and he became unbearably uncomfortable. So he sought the nearest telegraph station, and sent this wire to his wife: "SOS BVD PDQ COD" (Laughter). Not having that power of condensation, with your permission, as was the case with the previous speaker, I shall confine myself rather closely to my notes so as to endeavor to get in as much as possible.

THE CANADIAN WHEAT POOL

WHAT is known as the Canadian Wheat Pool is composed of three co-operative companies, incorporated under provincial statutes, which sell their wheat through a common selling agency, with a Dominion charter, jointly owned by the three provincial companies. The three provincial companies are: Alberta Co-operative Wheat Producers, Ltd., Saskatchewan Co-operative Wheat Producers, Ltd., and Manitoba Co-operative Wheat Producers, Ltd. The central selling agency is Canadian Co-operative Wheat Producers, Ltd. The Saskatchewan and Manitoba companies also operate coarse grain pools along the same lines as the wheat pools and with the same selling agency.

For the purpose of this address it will not be necessary to deal with the history of co-operative trading or discuss its general economic problems. On the scale and on the plans of the Canadian Wheat Pool, co-operation in grain marketing is, however, a notable advance in force into a field in which previous minor movements have not succeeded in securely entrenching themselves. I shall, therefore, attempt to make clear the general conditions under which this important experiment is being tried, the nature of the experiment and the developments up to this date. Incidental mention will be made of certain questions that are naturally raised by the facts; but the period of time in which the Canadian Pool has been operating is so short that it is probable there is not yet sufficient evidence upon which any of these questions can be conclusively answered.

What, then, are the general conditions under which this pool experiment is being tried out? In the first place, grain handling and grain trading in Canada have been for years under special Government regulations. Almost every serious criticism or suspicion on the part of the grain producers raised during the

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These are so situated that no western grain can enter commercial channels without Government inspection. At inspection points and in and out of terminal elevators, all grain must be weighed by officers of the Board.

Over the merchandising of grain, beyond the primary stages, there is no special regulation. No commission in its findings has sustained charges against the general marketing system and no government in Canada has yet found reason to pass special laws restricting grain exchange trading. Since 1908 the Winnipeg Grain Exchange has operated as an unincorporated, voluntary association.

The second condition to be noted is that in the grain trade in Canada, as elsewhere, competition is exceedingly active and keen. This is true even in the primary operations in which the producer has the additional safeguard of Government regulation. When the stage of merchandising and grain exchange transactions is reached there is not only a mass of local competition but the field of world competition is entered. Two of the strongest grain companies in Canada and keenest competitors, have been farmers' non-pool companies, the Saskatchewan Co-operative Elevator Company and United Grain Growers, Ltd. Competition in the grain trade, as in every other sphere, tends to improve service and decrease margins and charges.

The third general condition is the high development and organization of grain trading. It is undoubtedly true that in its system as a whole, including the means of providing for future needs and for protecting purchases or sales, grain trading is the most complete, serviceable and most smoothly working marketing system the world has yet worked out.

In particular it is to be noted that grading and bulk handling which are essential to the successful marketing of any commodity, were already fully developed and fully adequate and efficient. The chief accomplishments of co-operative enterprises in the past have been in supplying these essentials where they were lacking, but under the conditions of grain handling in Canada this field was closed to the Pool.

Into this highly organized, highly competitive and regulated business, the farmers of western Canada undertook to introduce advanced co-operative principles. To understand how force could be generated sufficient to make possible the putting through of so great a work of organization as the Canadian Wheat Pool, it is necessary to realize the historical setting. During the later war years, there had been direct Government price control on merchandising of wheat in Canada and prices had been high. The restoration of the open market system coincided with the beginning of world

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price deflation in the summer of 1920. Cereal prices at first fell even more rapidly than those of most other commodities. In the disappointment and alarm over this development, a powerful demand was made by the producers of western Canada for the re-establishment of the Wheat Board, a Government body which had operated a compulsory wheat pool in 1919-1920, in the hope that the restoration of the method of marketing would bring back the high prices, or at least check the decline. That the readjustment of values was due to world causes and was irresistible, was disregarded. The agitation for a wheat board continued unsuccessfully for three years. During all this period the effects of general deflation continued to be severely felt in agriculture and also in every other line of business. Early in the period the idea of a voluntary pool had been suggested as an alternative in case of failure to secure a compulsory pool, and in July, 1923, this alternative was decided upon. Geographical conditions in Canada, where most of the grain passes through the neck of a bottle, may make the idea of control by a Government, or voluntary pool seem to the public more feasible than would be the case in other countries.

Early in the month of July, 1923, the boards of the United Farmers of Alberta, the United Farmers of Manitoba and the Saskatchewan Grain Growers Association, each passed resolutions adopting the policy and at a conference of representatives of these three bodies, held in Regina, July 23-24, it was decided to proceed with the establishment of a voluntary contract pool on a provincial basis, with one central selling agency, each association to be responsible for the organization in its province. The United Farmers of Alberta were the first to complete their organization and on October 29, 1923, commenced operations with approximately 46 per cent of the wheat acreage of the province signed up under their five-year agreement. Neither Saskatchewan nor Manitoba was able to begin operations until the following year, and that the expiring date of all contracts should be the same, the end of 1927, the term of the contracts in these two provinces was made four years.

Plan of Organization

The plan of organization and form of contract in all three pools is almost identical. The memberships consist of all those directly or indirectly engaged in the production of wheat as owners, producers, share crop producers, tenants, lessors or lessees of land, who sign the pool contract. Under the agreement the Pool is empowered to act as the sole and exclusive agent, factor and attorney-in-fact for the grower to handle all wheat produced by him, except such as may be required for his own seed or food, and to sell the same to such persons and at such times and upon such conditions and terms as it may deem fair and advisable and in the best interests of the grower. Should the grower fail to deliver all his wheat to the Pool he agrees to pay liquidated damages at the rate of 25 cents per bushel for all wheat not so delivered and also agrees that the Pool shall be entitled to secure an injunction to prevent further breach of the contract. The Pool is entitled to meet out of moneys realized, all proper charges and expenses incurred and also to deduct 1 per cent of the gross selling price for the purposes of building up a commercial reserve or working capital, and not exceeding 2 cents per bushel for investment at the discretion of the Pool in securing elevators and other facilities for handling grain, or an interest in companies possessing such facilities.

To the grower, the Pool agrees, as soon as practicable after the delivery of wheat, to make an advance at such rates as it shall deem proper and then from time to time as funds are available, make further payments until each grower has received his proportion of the net proceeds on the basis of number of bushels delivered and grade. Freight rates to the terminals, spreads between grades and certain country elevator and service charges are deducted from the advance payment. Interim payments are in equal amounts per bushel to all shippers on all grades, unless experience should show that the original spreads had in the case of any grades been seriously miscalculated. From the final payment there were deducted the commercial and elevator reserves and overhead expenses. The basis of payment to every member in all provinces is the same according to grade. Differences in freight rates and certain differences in charges on storage and street wheat and on wheat loaded over the platform and in the overhead of the different pools, make the only important differences in net return to different members.

The Central Selling Agency was incorporated in 1924 and on August 20 of that year an agreement was entered into between the selling agency and the three provincial pools, under which the latter agreed to deliver to the selling agency at the terminals of Port William, Port Arthur and Vancouver, all wheat delivered to them, the pools, under penalties of liquidated damages, and under which they conferred upon the selling agency all powers and rights with regard to the handling and disposition of the wheat which they had obtained under the agreement with the growers. The Board of the selling agency was to consist of nine members, three nominated by each of the pools. The central selling agency, after deducting proper charges and expenses, distributes to the pools, in installments to correspond with payments to be made to members, the entire proceeds of the

sale of the wheat in proportion to the number of bushels delivered by each pool, and the pools in turn, after making the further necessary deductions, distribute to the growers.

Pool Elevator Policy

It is Pool policy to acquire, through subsidiary companies, country and terminal elevator facilities. The Alberta pool now owns 18 country elevators, with 12 in course of construction and holds a lease of a terminal elevator at Prince Rupert. The Manitoba pool has been endeavoring to secure the elevators in Manitoba owned by the United Grain Growers, Ltd., so far without success. It already owns 30 country elevators, of which 17 were constructed in 1925-26. The Saskatchewan Pool has purchased the elevator system of the Saskatchewan Co-operative Elevator Company and on August 1 took over from that company 451 country elevators in Saskatchewan, three terminals at Fort William, Port Arthur, one held under lease—and one terminal at Buffalo. This pool now possesses 573 country elevators, giving it undoubtedly the largest equipment for the primary handling of grain of any company in the world. The total number of country elevators in the three provinces is some 4300 and pool interests now control one in every seven.

Under the direction of the Central Selling Agency, two terminal elevators at Fort William—Port Arthur were leased in 1924 and one was purchased in 1925, so that with the terminals secured from the Saskatchewan Co-operative Elevator Company, pool interests now control about 17,450,000 bushels capacity at the Head of the Lakes, out of a total capacity of 60,000,000 bushels.

Pool country elevators do not exist at all points or are inadequate and yearly agreements have been made with the line elevator companies, under which for certain stated charges, which bear a relation to the charges and margins customary in the trade, the line elevator companies receive and forward all Pool wheat delivered to them and make the advance payments, financing these on their own credit and being



W. SANFORD EVANS, WINNIPEG, MAN.

repaid by the Pool on delivery of the grain at a terminal. The attitude of the grain trade to the Pool has at all states been one of readiness to conclude very reasonable arrangements for the use of the trade's facilities. The Pool has been given every opportunity by the trade to freely develop its plans and test its theories.

During the past year, special emphasis has been laid by the Pool upon its elevator policy and much less has been said of its selling policy. The ultimate objective would seem to be the acquiring of elevator facilities sufficient to handle all pool wheat in all primary and secondary positions. Judging from public statements of pool officials, it would appear, however, that the principal immediate interest of the management in country elevators is because they form new points of contact with members and should make easier the work of collecting all grain under contract and of getting new contracts. The president of the Saskatchewan Pool, who is also president of the Central Selling Agency, in an address on August 8 last said:

"I believe the success of our organization from now on will depend in large measure on the satisfaction we can give through our elevator company, through that point of contact established between our organization and the farmers."

There is no reason to think pool officials believe they can manage country elevators better than private companies or on lower charges on the average. Their present policy, however, is to buy or build an elevator only at a point where at least 10,000 acres are under contract, so that their elevators will be assured of a turn-over two or more times the average, which should for the time being enable them to show lower than average costs. For temporary effect, the Saskatchewan Pool, this year declared a patronage dividend to those members who had shipped through the pool elevators. In the address above referred to, President McPhail said:

"While I do not desire to enter into a discussion of policy in connection with this matter, or discuss whether such a system is good as a permanent policy,

I would just say that it was done to bring home to the pool farmers as forcibly as possible the value of patronizing their own elevators. As to whether that policy will be continued or whether it is a good policy, I am not prepared to say."

Another object in acquiring country elevators is to feed Pool terminals. The line companies ship Pool grain to their own terminals and deliver it there. Because of the long period of storage during which navigation is closed, and because mixing can be done in them, terminal elevators have been more profitable than country elevators, and the Pool desires to secure that profit.

It is not possible in this address to discuss the many questions raised by the Pool's elevator policy, such as whether it is consistent with the Pool principle to derive the capital by deductions from all members and distribute surpluses, or, indeed, services, only to a few, particularly when such surpluses as are derived from country elevators probably could never be made general if service was given to all and average costs incurred. Space has been given to this aspect of the subject, however, because it is at present the chief aggressive phase of pool activities.

Magnitude of Pool Operations

According to statements by pool officials, there was under contract in three prairie provinces in July 31, 1926, 14,378,981 ares, which represents approximately 66 per cent of the total 1926 wheat acreage in these provinces. The percentages in the different provinces were approximately 73 in Saskatchewan, 56 in Alberta and 51 in Manitoba. The membership was 36,428 in Alberta, 73,661 in Saskatchewan and 18,433 in Manitoba, a total of 128,522.

Steady increase in acreage and membership has been recorded. The Alberta pool started operations in 1923 with 25,601 members and 2,416,413 acreage (as at November 10, 1923.) The Saskatchewan pool started in 1924 with 45,725 members and 6,330,000 acreage (as at June 26, 1924), and the Manitoba pool in 1924 with 9,216 members and 785,866 acreage (as at December 31, 1924). The increase of the 1925-6 figures over those of 1924-5 was approximately 20 per cent in both membership and acreage for the three provinces combined.

During the year 1925-6 there was delivered to the Pool the very large quantity of 187,500,000 bushels of wheat. By provinces the deliveries were:—from Alberta 45,000,000 bushels, from Saskatchewan 130,000,000 bushels and from Manitoba 12,572,786 bushels. In 1924-5, with a much smaller crop and somewhat smaller membership, the deliveries of wheat were 81,400,000 bushels.

In the crop year 1925-6, inspections of wheat in the three provinces totalled 354,000,000 bushels and this would closely correspond with total farmers' deliveries. The proportion delivered to the Pool was therefore about 53 per cent, whereas pool membership covered 66 per cent of the acreage. The acreage as reported by members may have been somewhat overestimated, but it is admitted that one of the most serious problems of the Pool is to secure full delivery from its members. The temptation of a big bulge in prices is very strong to a man who has been looking to receive only an average price, and there has undoubtedly been an undetermined amount of what has become known as "bootlegging in wheat." All the pools have greatly increased their field forces an important part of the duties of which is to keep a check on deliveries. One of the provincial pools disclosed figures at its annual meeting showing that several thousands of cases had been inquired into during the year and authority was asked to institute prosecutions in a limited number of cases.

That the effects of the sudden development of this great organization controlling waste quantities of grain have not been more disturbing to private traders in Canada than has been actually the case, is partly due to the fact that most of the Pool grain is still handled through trade elevators at approximately regular charges and partly due to the fact that an important proportion of the trade has not for years been in private hands but in the hands of the two large farmers' co-operative companies, one of which has already been bought out by the Pool and most of the shareholders of the other are now pool members. The Pool is, however, bigger, except in number of country elevators owned, than were the two combined.

What effects have followed from the organization and operation of the Pool? Probably nothing has yet been conclusively proven or disproven. All that can be done at this stage is to set down certain of the principal objects sought by the Pool and then to examine the facts and figures of the last two years to see to what extent, if at all, progress towards accomplishment is observable.

Objects of the Pool

In the preamble to the agreement with the grower, in addition to the general purpose of promoting co-operative enterprise, two specific objects are mentioned: namely, "eliminating speculation in wheat" and "Stabilizing the wheat market."

In representations made by advocates of the Pool and in the expectations of those who signed, other objects or results were also prominent. 1. In accordance with the principle of orderly marketing, the movement of wheat was to be more evenly distributed throughout the year, to the advantage of the farmer,

who could deliver at his convenience and so as not to interfere with any urgent work on the farm, and to the advantage of the railways by reduction of costs, which would, in turn, make possible a reduction of rates.

2. In the minds of a large proportion of the members was the idea that a new system was to be substituted for the Grain Exchange system and, so far as Canada at least was concerned, would in time displace it.

3. More money was to be realized by members and that in four ways:—First, by the economies of mass handling and the greater bargaining power it would give with respect to such expenses as lake and ocean freights; second, by elimination of the profits previously taken by the grain trade; third, by a more even distribution of sales throughout the season, which it was supposed would prevent depression of prices at some periods and on the other hand would secure for the benefit of all members their share of the advantage of sales on advances; and fourth, although this was less explicitly stated, it was hoped that by the control of large quantities and by the method of marketing, the world's level of prices could be influenced in favor of the producer. On the program of the next International Pool Conference to meet in Kansas City March 16, 1927, one of the subjects for discussion is "How can we get a better price for our wheat?"

The Objects of the Pool and the Failure to Attain Those Objects

It may be well briefly to discuss each of these objects in the light of such facts as are known:—

Elimination of speculation.—No effects of this policy are yet discernable. Indeed, it was never clear how it was proposed to accomplish this object. The pool itself, as a selling agent, incurs no risk, for it is obligated to pay over only what it receives. The selling risk, however, remains with the grower, and all buyers from the Pool continue to have just the same risks as any other buyers. In March 1925, to mention one instance, the Pool admits having bought in an open market, for the purpose of sustaining prices, grain it did not need, which is a form of transaction generally classed as speculative. Public speculation in the wheat markets was a bigger factor in the two pool years than at any time during the previous 15 years.

Stabilizing the wheat market.—Here again results are not apparent. The market was not stable during the past two years, the spread between high and low in the Winnipeg cash market having been 51 1/8 cents in 1925-6 and 84 1/2 cents in 1924-5. If one of the war years and the year of general world deflation, 1920-1, be excluded, such wide spreads were previously unknown in the Winnipeg cash market.

More even movement.—Although some pool advocates expected that their farmers would distribute the delivery of their grain more evenly and that the railways would have a less difficult peak load to carry, there were others outside the Pool who thought the opposite effects might be produced and that farmers might deliver all their grain right from the thresher to secure the advance payment, leaving the Pool to make the best possible disposition of it afterwards. What have been the facts during the two years? The heaviest delivery months in western Canada have regularly been September, October and November and in these three months of 1924-5 there was delivered 68.5 per cent of the total deliveries during the crop year. During 1925-6, the deliveries were 71.7 per cent and for the two pool years the average was 70.1 per cent. In 1923, the last year before the Pool was in full operation, the percentage was 69.8 and for the last four years before the Pool, the percentage was 70.3. If any other group of months during the crop year be taken, the comparison is much the same. No change therefore has become apparent in the method of delivering the Canadian crop. This being the case, the problem of primary movement by the railways has also been unaltered.

Coming to the secondary movement, by which grain is exported from Canada or distributed to eastern mills, no new tendency has yet appeared. With regard to exports, and taking the four months, September-December to cover the whole autumn movement, 55.4 per cent of the year's exports of wheat went out in this period of 1924-5 and 54.3 per cent in 1925-6, whereas the percentage in 1923 was 53.3 and for the four year pre-pool period an average of 58.3. This higher figure is accounted for almost entirely by the movement in one year, 1922-3 when the crop was early and comparatively small. If the last three months of the year be taken, May-July, to show the portion held back for export in the last quarter, the figures show 25.7 per cent in 1924-5 and 22.9 per cent in 1925-6, whereas in 1923-4 the percentage was 27.8 and for the four-year period an average of 22.5, the latter being again affected by the heavy early movement of 1922-3. There is no evidence in these figures that pool policy has done anything to modify the early rush of wheat out of Canada or to hold back any bigger proportion of the wheat to the end of the season.

Exports from Canada, as they appear in the Customs returns, are not necessarily a good index of the way in which Canadian wheat moves to importing countries, the reason being that before the close of

navigation large quantities are placed in Buffalo and other United States positions to provide ocean shipments during the winter months. Ocean shipments are therefore a better index of real exports and the only indication figures offer as to how sales for export are made.

Canadian wheat moves overseas much more evenly, month by month, than is generally realized and more evenly than does United States wheat. In 1923-4 before the full Pool was in operation, there was shipped from Canadian and United States ocean ports in the first quarter of the shipping year September-November, 24.4 per cent of the total year's shipments of Canadian wheat, in the second quarter, 26.8 per cent, in the third quarter 27.2 per cent and in the last quarter, 21.6 per cent; or, in the first half year 51.2 per cent and in the second half 48.8 per cent. This was almost the ideal of orderly marketing and could not be improved upon by the Pool or by any other agency. Last year, 1925-6, total ocean shipments were approximately the same as in 1923-4; the Pool handled direct an important proportion; but the percentage by quarters were 30. per cent, 30.6 per cent, 19.6 per cent and 19.8 per cent; or 60.6 per cent in the first half year and 39.4 per cent in the second half. The movement was much less orderly than in 1923-4. The truth is, of course, that the causes of the distribution of shipments in the various stages of the movement lie deep in such elemental conditions as geography, the seasons and the nature of demand, and over these neither the Pool nor private traders can exert much influence.

Substituting a new system for the open market or Grain Exchange System.—The Pool at once acquired memberships in the Winnipeg Exchange and makes use of all its facilities. It buys and sells in both cash and futures markets. Its officers state frankly that they trade on the Exchange to the full extent they find it profitable to do so. Moreover, the price basis governing

payment on delivery, a second payment about the time spring work begins, a third at haying time and a fourth during the harvest of the new crop. The trade pays cash in full whenever the farmer wishes to sell. This change in the distribution of cash receipts must have effects on the system of collections and credits of all businesses, including the banks. More time must elapse, however, before it can be known what the economic effects really are, or whether it is good for the farmer to have his time of spending regulated or to lose his initiative in the selling of his crop. So many powerful economic factors, some of them of world-wide range, have operated during the past few years, that no one could safely attribute to any minor factor any particular part of the general effect.

Larger monetary return to farmers.—To secure for the grower a large cash return for his wheat than he was obtaining through the regular trade, the Pool was to perform all middleman functions and do so at cost, whereas the grain trade looked for some profits. The farmer was getting only the primary market price, less customary charges, whereas the Pool was to give him the export price, or the European price, less only bare costs. The Pool was also to operate country and terminal elevators at cost, which would add a further margin to the grower's price. In brief, the grower was to get all he had been getting plus the profits of all middlemen, and then something more because of the economies of handling vast quantities. These price benefits were quite apart from anything that might be gained by regulating sales or by influencing the world price basis upward.

In settling with the grower, the pool states that it is paying him so many cents per bushel, basis Fort William, less certain specified deductions. That is, the Pool sets up, or at least suggests, a comparison with primary market prices. But it is clear that



PART OF THE NEW YORK DELEGATION

Left to right: Sidney Hall, T. H. Story, Axel Hansen, R. P. J. Barry, Jack Wels, J. J. King, W. A. C. Rossman, B. J. Owen, J. J. Smith, L. Duval, T. W. Kane, C. S. Betts

the Pool's export business is the daily quotation on the Winnipeg Exchange.

In two respects the volume of trading on the Winnipeg Exchange has undoubtedly been somewhat affected. Because of the extent to which the Pool is able to finance on farmers' money it does not require to hedge. Those who buy from the Pool, however, hedge as fully as ever before or they could not pay anything like market prices. Trading in the Winnipeg futures market has reached larger volume in the last two years than ever before and any effect of the absence of sales and purchases of Pool hedges cannot be traced.

Again, undoubtedly less cash wheat changes hands on the floor of the Winnipeg Exchange because such a large volume of actual grain comes into the hands of one exporter without purchase. With regard to sales, the general sales manager recently stated that in 1924-5 the Pool sold about 60 per cent of its cash wheat on the floor of the Exchange, while in 1925-6 this was reduced to less than 30 per cent. A year ago the pool was laying great stress upon what it represented as its development of direct export business. There is nothing new or peculiar about direct export business and the Pool does nothing other exporters have not always been doing. The only change is that with one big exporter handling wheat more than one exporter handled before, there are probably fewer intermediate transactions. There have been effects on the business of individual traders but no change in the system. Whatever modification there may have been in cash trading it is unquestionable that the Winnipeg Exchange has continued to maintain its position as the largest cash market in the world and to fully perform its function as a unit in the world's open market system.

Distribution of payments.—Before discussing the financial object of the Pool, mention should perhaps be made of its method of distributing payments, a fairly large

the total sum realized by the Pool include increments from many functions that do not enter into primary marketing at all and that its earnings and primary prices are not fairly comparable. If the farmer invests his money in elevators and provides capital and credit for a trading and exporting company of his own there should be a return to him greater than the price open to any farmer who makes no such investment and takes no such risks.

To the extent to which it operates country and terminal elevators, the Pool should save for the farmer, and add to his price, whatever was before the profits of elevator companies. The same is true of all the profits of export business. The Pool has, by agreement, the right to mix any or all wheat delivered to it and should add to the farmer's price what would represent the profits of mixing. The Pool rapidly accumulates each season large sums of farmers' money, the difference between the partial advance payments and the full returns from cash sales, and on these sums it earns interest, or saves interest, which is a clear advantage over the trade, and this interest should be added to the farmers' price. At least on occasion, the Pool buys and sells wheat not delivered to it under the contract and operates in the future market, and these transactions should yield a profit, which should be added to the Pool farmers' price.

Tested by the comparison it, itself, suggests, the pool has not been able to establish that its total net earnings, from all sources, have been ever as much, per bushel, as the net return it was easily possible during the past two years for any non-Pool farmer to obtain in the primary Cash market alone. Many statistical problems would have to be worked out before the Pool basis could be absolutely measured as against open market returns so that there could be no controversy over the result. To comparative tests have been applied in discussion in western

Canada. The first is between the pool basis and the average of the daily closing cash prices during the market year. In support of this method it is said that the pool principle, as originally laid down, was that sales should be evenly distributed and that if any farmer or group of farmers acted strictly on this principle in the open market, the average of the daily prices would be the average price secured; and further, that an average is not an unfairly high standard to set, since there are many more chances of getting at least the average price than of getting less than an average price.

Comparative figures on this basis during the past two years are as follows, taking only the leading grade in each grain: On No. 1 Northern Wheat in 1924-5, the pool basis was \$1.66 and the average of the daily open market prices \$1.71 $\frac{1}{4}$, or 5 $\frac{1}{4}$ cents higher; in 1925-6, with the final payment announced on Friday last, the pool basis is \$1.45 as against the open market average of \$1.61, or 6 cents higher. The two Coarse Grain Pools operated only in 1925-6 and on C. W. Oats, the open market average was 2 $\frac{1}{2}$ cents higher than the pool basis; on C. W. Barley, 3 $\frac{1}{2}$ cents higher; on 2 C. W. Rye, 1 $\frac{1}{4}$ cents higher, and on 1 N. W. Flax, 4 cents higher. In every case the pool basis was below the market average.

The second comparative test was that applied last year when the 15 leading elevator companies instructed Price, Waterhouse & Co. to audit all their "Account Sales" for non-Pool farmers and determine the average price actually paid over by them. While this inquiry did not cover all wheat delivered by non-Pool farmers, it did cover all wheat for which these companies, instead of the Pool, were made the farmers' agent. The audit established that on every grade of wheat, except No. 4 Smutty and five grades of Rejected, the trade had paid more than the pool basis, from a fraction of a cent per bushel up to 38.6 cents per bushel on No. 4 Kota wheat. When the pool reductions were taken into account, the average difference in cash paid over was still more marked.

The above paragraphs are merely a statement of the discussion that has actually been taking place. The Pool has offered no alternative tests to support a claim that it has paid as much as, or more than, the open market. Under these conditions, and this is the only point it is desired to make, it can fairly be said that there is no evidence in the past two years that the pool has been successful in its object of increasing the farmers' returns relatively to the open market.

In all references to the Pool price basis, it will be understood that this is the basis before any deductions are made and that the Pool makes special deductions to which there is no corresponding charge or holdback in the open trade. These special deductions are the elevator and commercial reserves and head office expenses. The two reserve funds are credited in ledger accounts to the individual farmers in accordance with the amount held back from each, but how these reserves will ultimately be retired has not been publicly stated. Head office charges are a current expense for which, of course, no credit is given. In 1924-5, these special deductions averaged over 4 cents per bushel on all grades of wheat. Still another special deduction was made from the coarse grain basis this year, the cost of carrying the grain after the period covered by the initial elevator and service charges, which was treated as a selling expense in the previous year. Complete details of the deductions on wheat for 1925-26 have not been announced.

Raising the Level of Prices

A claim that because of something done, prices are higher than they would otherwise have been, hardly admits either of proof or of disproof. The first step would be to establish that there have been price levels not fully explainable by other causes, and this has not been undertaken. At least it is true that there has been no absolute increase in prices for the pool basis in its second year was only \$1.45 as against \$1.66 in its first year.

In conclusion, it may be said that there are signs that important modifications of theories may be taking place in the minds of pool leaders as a result of the experience of the past two years. The fact that emphasis is now being laid on elevator policy and very little is being said of the special objects which were so prominently treated in the period of organization, such as orderly marketing, eliminating speculation, stabilizing prices and substituting a new trading system, may be a negative sign of such modifications. But there is also positive evidence, for example, in the speech of Mr. McPhail, which has already been quoted from, occurred this important passage:

"Just a word about the selling policy. It will not be long before an announcement of the final average price to be paid for the past year is made. I am not prepared to say whether it will be satisfactory or not. It will depend upon the view-point of each individual in the country, but I would point out this, that there are factors other than the price of wheat which have to be considered in determining a sales policy for the year when you have close on 200,000-000 bushels of wheat to market over a period of 12 months. One of the most important factors outside the price is the demand, the time when the buyer

to some extent, regardless of price, you have to take advantage of selling at that time. During the fall months of the year, when the Canadian wheat crop is going into a selling position in a larger volume than at any other time, there is a bigger demand for it. We therefore have to be influenced by that factor. If we are not, we may some time later in the season be caught with the bag in our hands. We have already had that experience to some extent."

Such a statement could not have been made by a pool official two years ago or even one year ago. The theory of orderly marketing must be modified in accordance with demand and local supply. A year ago, the pool final payment was announced on September 5, although the pool year for receiving wheat had terminated July 15, and in explanation of the delay it was stated that the direct export policy of the Pool required that they should hold over enough wheat at the end of a season to regularly supply their customers until new wheat was available. This year, with the same cut-off date, it took until October 15 to clean up and make the final payment and it is recognized that, to some extent, the Pool was "left with the bag." If all signs bear an obvious significance, it may be that some of the pool leaders have realized what experienced traders have always known—that strict adherence to a policy of orderly marketing puts a seller in the weakest possible position. It is much like dumping week by week after giving advance notice. If it be a fact that, comparatively,



F. G. HORNER
Evanston, Ill.



CHARLES QUINN
Toledo, Ohio



JOHN S. GREEN
Louisville, Ky.



J. W. McCORD
Columbus, Ohio



E. M. WAYNE
Delavan, Ill.



GEO. E. BOOTH
Chicago, Ill.



F. E. WATKINS
Cleveland, Ohio

EXECUTIVE COMMITTEE 1925-1926

pool returns have not been altogether satisfactory, it can only be because the Pool has not always sold, or been able to sell, to the best advantage. If the Pool is now adopting the policy of selling to the best advantage in accordance with demand and the quantities in selling position, it is back to the policy of private trade from which it attempted a departure.

Our further effort is being made at present to create a new factor in marketing by the organizing and co-ordinating of Pools in all the principal exporting countries which would control the greater part of the World's export wheat, and by concerted action might raise the general level of price. Canadian pool leaders are now in Australia and the Argentine on this mission. No clear theory with respect to this difficult undertaking has been publicly expounded. If practical results are not achieved, it may very well be that the Canadian wheat pool will become but one big private trader, under the great private trading system the experience of the world has developed, with the potentialities and with all the perils of bigness.

In view of all these considerations, whatever may have been its sociological accomplishments, in economics, the Pool is still an experiment.

Mr. Green: Mr. President, I move that we extend a vote of thanks to our brother from Canada for this great address. He has come a long distance, and has given us a wonderful resumé of this most interesting situation.

(Seconded by Mr. Forbell, and unanimously carried by rising vote).

The President: I know I express the thanks and appreciation of every person in this audience when I

extend our thanks to Mr. Evans for the wonderfully illuminating address he has just given us, and for the long trip he has taken from Winnipeg in order to be here this morning. I suppose it is partially owing to the fact that most of the press reports we receive on the Canadian situation are fragmentary, and are frequently inspired by interested persons, that it is very difficult for us to form an adequate estimate of conditions there, and which makes this word picture given by Mr. Evans particularly instructive to us.

Mr. McCall: I think we are specially indebted to Mr. Evans for this wonderful source of information we have had placed before us. I would like to ask Mr. Evans one or two questions if he feels disposed to answer them.

Mr. Evans: I shall be glad to answer any questions I am capable of answering.

Mr. McCall: I met you a number of years ago in a meeting at Minneapolis, and ever since have been interested in your statistics. Is it true that the Pool sold a great deal of grain in competition with our American exporters at less than its market value?

Mr. Evans: A question like that could not be definitely answered. For the benefit of those who do not know, and as it might not have been understood from what the president said, I am not in the grain trade. I am an observer on the outside, perhaps a student, but I am not in the grain trade. There is never any public record of the sales. If you ask me what reports circulate in the trade from time to time, there is only one answer to that question, that the Pool does. In what I have given here, in suggesting a basis of comparison, and by saying that if the Pool is not up to the standard or is not rather very considerably above it, they do not sell to good advantage, would seem to be a fair answer to the question.

Mr. McCall: Therefore their efforts to raise the world's level of prices were not only not effective, but they reduced the world's level of prices? If I may ask one or two other questions, if you feel disposed to answer them. It may be embarrassing for you to answer, and in that case it is, of course, perfectly all right. But what is the disposition of the farmer towards the 1927 expiration of contracts? In this country we feel in the Southwest and in the Northwest that there has been a running away from a renewal of contracts. In fact, not only have they bootlegged their wheat, but many of them have refused to renew their subscriptions or contracts. Now is it the disposition of the Canadian farmers to disregard their contracts or refuse to renew their contracts?

Mr. Evans: That situation is not sufficiently developed for it to be known. You see the agreements do not terminate until the end of December, 1927. That is more than a full year. It is quite apparent from these patronage dividends and other things that the Pool is preparing for as aggressive a campaign during the next 12 months as it can put on. In the meantime, the Pool keeps reporting from week to week and from month to month an increasing number of contracts signed. And they have a big staff going through the country holding meetings almost continuously, so for the present, judging from the figures they are giving out, their membership is increasing.

Mr. McCall: Some of us are believers in this, that there is no set of men that can take 60 per cent of the great Canadian crop and market it as advantageously as smaller groups of dealers. We feel there is not brain power in them sufficient to cope with such a magnitude of business. I am requesting your opinion, but do not want you to give it if it is embarrassing.

Mr. Evans: Absolutely not, and I positively agree. I referred to the perils of big things, and I do not believe any set of men can handle to the best advantage the great quantity of 187,000,000 bushels of wheat. My own belief is what you say, and on the whole I am inclined to believe that the pool theory and system as originally announced, not as it is now being conducted in varied form, would tend to be bearish rather than bullish on the market.

F. G. Winter: What is your opinion of the effect in Canada of the passage of the McNary-Haugen Bill? Would not the passage of that bill compel Canada to subsidize its wheat growers, if we had to dump our wheat in Europe at any price?

Mr. Evans: We hope you won't pass that bill (Laughter). Perhaps I should not express an opinion as to what you ought or ought not to do, but I think we will be happier if you don't, because if there was any such dumping, it would be disastrous to us, when we have to market up to three-fourths of our whole product in the market in which you would dump. I wouldn't want to run the Pool with 187,000,000 bushels if you were dumping (Laughter).

Mr. Shanahan, Buffalo: Have you observed any effect on the Canadian milling industry through the operation of the Pool? And have you perhaps heard that the British miller is inclined to class the regular open pool sales of wheat in Europe as marketing?

Mr. Evans: I think any one would be inclined to, under a policy of ordinary marketing, dumping from week to week. They would try to get it at a bargain all the time. It probably may enter into the explanation of what has been noted of the hand-to-mouth buying, which has been largely characteristic during the past year or two. They sit back there and take it. The Canadian milling industry hasn't as I understand it—and I am not in the milling business and cannot speak with authority—had a profitable export business

during the last two years. They have had a fairly large export business, but have not made much money. I understand that last year Canada made more flour than at any other time in her history. The millers did make representations to the Pool within the last year, saying "You are sending out your offers all over Europe to European millers every night, and we do not know what prices they are. And we want you to give us the same offers and the same chance of accepting them on the same basis." Some understanding was reached, but to what extent it is being carried out I do not know. But I haven't personally heard of our millers attributing anything in their present position to the Pool. They have up to date been able to get, from some source or other, all the wheat they want, and are continuing to grind without much profit.

Mr. Shanahan: It is the matter of profit we are interested in.

Secretary Quinn: To what extent is the Dominion Government involved in terminal warehouses? Do they own the public warehouses and operate them, or do they own them and let individuals operate them?

Mr. Evans: They both own and operate, either through a Board of Grain Commissioners, or through the harbor commission, as in Montreal. And then there are interior terminals at Calgary, Edmonton, Moose Jaw and Ft. Williams.

The Secretary: Are they owned by the Government?

Mr. Evans: Yes. Private trade would never put them in there. They serve a purpose in occasional years, if grain needs to be treated, or if there is an extra amount, it can be stored there, and perhaps those exterior terminals are justified; the Calgary and Edmonton terminals might be. They operate them. That can hardly be called in competition. It is very seldom they are in direct competition with the others. They adhere to the charges, and except in that they take a certain amount of grain that would otherwise go elsewhere, they are not a disturbing effect, and the main function they perform is to keep the Board of Railway Commissioners informed as to what costs are and methods of the trade, and everything of that kind.

The Secretary: I should imagine on the whole they are not profitable.

Mr. Evans: The terminals at Ft. Williams do earn some surplus. I never tried to compare their earnings with what would be the earnings of private terminals there, but they are operating at some surplus. The interior terminals do not, I think; some years they have made their cost, but I do not think they were ever intended necessarily to meet their expense.

The Secretary: Is it true that in order to carry out this plan of theirs of distributing the grain in equal amounts from month to month, the Canadian Pool has sold grain that was on its way to Europe, to arrive—in other words, had sent car loads across the Atlantic before they were sold?

Mr. Evans: As far as I have seen, no evidence as to whether or not that has been done has appeared. If they have, all you gentlemen here know they were in pretty risky business. If you ship on consignment on a short voyage, you are apt to get nipped. There are often reports—I have heard traders say "We couldn't do anything with Europe today. The Pool has stuff on the ocean that has gone five cents below parity." They may not know. Whether they have attempted much of that consignment business, I do not know.

The Secretary: I have seen those things in the public prints.

Mr. Evans: I have no evidence by which I could definitely answer that.

The President: Mr. Evans has certainly been kind to answer our questions, and to do so thoroughly, and I know we are very greatly obliged to him. If there are no other questions, I will ask Mr. Green, of the Committee on the Secretary's Report, to give us the results of their work.

Mr. Green: Under our arbitration rules rebuttal is permitted, but there is no provision for sur-rebuttal. The secretary has been allowing the defendants to submit it sur-rebuttal on certain occasions, but there has been no rule to provide for that. The Committee suggests there be added to Section 5 of Article VI, "Upon the receipt of the rebuttal the national secretary shall forward a copy of said rebuttal to said defendant, who shall have five days after receiving the said copy in which to file a sur-rebuttal." Section will then read: "Upon the receipt of the answer of the defendant, the national secretary shall forward a copy of said answer to the plaintiff, who shall have five days after receiving the said copy in which to file a rebuttal. Upon the receipt of the rebuttal the National secretary shall forward a copy of said rebuttal to said defendant, who shall have five days after receiving the same copy in which to file a sur-rebuttal. (See Section 7 of the Article)." The Committee recommends its adoption, and I will so move.

(Seconded by Mr. Reynolds, and carried.)

Mr. Green: The next was a suggestion made by the secretary of a change in the name of this organization. The Committee considered this last night, and we now recommend a change in the Constitution of Article I, Section 1, Name, to read "The name of this organization shall be THE GRAIN AND FEED DEALERS NATIONAL ASSOCIATION."

That may strike some of you on sentimental

grounds a little sharply for the minute, but I think it must be apparent to all of us that these feed dealers have come and ought to be in this organization, and the Committee recommends this change in the Constitution.

A Member: I hope this change will not be made. We have had sufficient changes in these times; everything seems to be in a state of flux. I am a director of the United States Feed Distributors Association, and I am not given to understand that the request comes from them. There are many feed dealers who are direct members. They are affiliated through the United States Feed Distributors Association. I do not think it will make any difference to us at all in our direct membership, and I doubt very much if Washburn-Crosby, for example, would change its slogan, even though conditions might indicate there was something better than "Eventually, Why Not Now." We have this the Grain Dealers National Association so long that I hope we won't make the change, because I do not think it necessary, and I should hate to see it done.

Mr. Booth: Has there been a sufficient request from the feed dealers association?

The Secretary: There has been no official request. There have been requests from many individuals.

Mr. Booth: Is there any disposition for their association to combine with ours?

The Secretary: They are already combined. The point is simply this: In suggesting the change of name of the Association from the Grain Dealers National Association to the Grain and Feed Dealers National Association, we are just simply recognizing a condition that has existed for several years. We are a feed association now as well as a grain associa-

tion. The United States Feed Distributors Association two or three years ago turned over to us all their arbitration cases. We have the United States Feed Distributors Association, we have the Mutual Millers and Feed Dealers Association, we have the Eastern Federation of Feed Merchants, we have the Vermont Grain Dealers Association and the Massachusetts Grain Dealers Association, whose members all are feed handlers, some of them retail handlers; so we have four of our affiliated associations now feed associations. And we are arbitrating the feed cases, and we have a Feed Arbitration Committee. If there is any objection to it, of course I would withdraw it. So far as I can see, it simply recognizes a condition that has existed for some time. We are a feed association now, and have recognized it officially. We have adopted their feed rules, which are a part of our organization, the same as the grain rules. And we have the Feed Arbitration Committee. I was just trying to keep step with the progress and development of the feed business in recognizing something that everybody knows already exists.

Mr. Eikenberry: There seems to be some objection to this change, and some desire for further time in which to consider the question, and I will move that the consideration of this matter be postponed until our next annual meeting.

Mr. Watkins: In rising to second that, I would suggest that we note in our preamble "The undersigned, being engaged in the buying and selling of grain and grain products." We have already recognized the feed men in every way, and if there is not a decided request for this change at this time, I think we could afford to take a year to think it over. I will second the motion.

(Motion carried.)

The President: The next thing is the report of the Legislative Committee, Mr. Reynolds, chairman.

Mr. Reynolds: As our time is very much limited, and a large number of our members would have

to get this report from the trade journals anyway, I suggest I just hand this report in, and let it go to the papers for publication. I have been brief by request and because I think it is best. I will be perfectly satisfied if you will accept the report without reading, because our time is so short.

The President: With the consent of the members that will be done.

As to the report of the Committee on Trade Rules, it appears to the Chair that because of the lateness of the hour and the necessity for a thorough discussion of the trade rules, we cannot undertake that at this time.

Mr. Watkins: If it needs a motion, I will move that we do not consider the trade rules at this time. (Seconded by Mr. Gustenborder, and carried.)

REPORT OF COMMITTEE ON LEGISLATION

LAST year through force of circumstances I was obliged to send my report to the Kansas City convention. I am very glad, indeed, to be back with you again at this meeting.

I am admonished to be brief in this report. Brevity seems to have been the watchword at the Kansas City convention. I am glad it is so. There can be no possible reason for a full review of all legislative activities during the past year. The press has given from day to day, yes, from hour to hour, full reports regarding all that has been done. Scarcely has a word fallen from anyone connected in any way with legislative bodies before it has been heralded to the public by the press. Scores and hundreds of measures directly or indirectly affecting



GROUP OF REGISTRANTS AT THE GRAIN DEALERS NATIONAL ASSOCIATION BUFFALO CONVENTION

the grain industry have been considered and freely discussed through the public press. The net result of all this legislative clamor regarding farm aid is practically nothing.

During the recess of Congress everything is quietly sleeping excepting an occasional echo through the daily newspapers. This quietude only portrays a boisterous awakening when Congress convenes in December. What we hear now regarding farm legislation and by farm legislation is naturally meant grain legislation, is simply the prating of politicians who have little interest beyond gaining votes.

What will be done at the coming short session no one can even make a reasonable guess. All parties are pledged to legislation for farm relief. Along with these promises all agree that no well defined idea of how farm relief is to be brought about now exists. There is much more talk about the McNary-Haugen Bill than all others.

This brings us to the question of: What is the McNary-Haugen Bill?—and to the more important question: What is the general public's idea of what the McNary-Haugen Bill proposes to do? In brief, everybody will tell you it is intended to aid the farmer. But how? No one seems to have a well defined idea and no two people interpret the McNary-Haugen Bill alike. There seems to be a vast difference in what the McNary-Haugen Bill really proposes to do and what the general public thinks it will do.

In order that I might be able to define in a few words what the McNary-Haugen Bill really is, I asked a friend of mine, who is very prominent in legislative matters and who keeps a closer tab on legislation than anyone else I know, these questions, "What does the McNary-Haugen Bill as finally amended propose to do? And farther, what is the understanding of the public in general regarding the McNary-Haugen idea?" I will quote from his reply:

"The McNary-Haugen Bill in its purpose proposes

to create a situation giving to agricultural products preferential prices.

"Under a commission to be appointed with its staff and machinery the domestic price will be stabilized at profitable figures to be determined from time to time and the surplus sold to foreign buyers in world competition for whatever it will bring.

"The Government is to provide a revolving fund beginning in the first proposal at \$350,000,000, but amended to \$250,000,000. This fund is to finance conditions to be brought about by the bill through the commission.

"This is briefly the situation as I understand it."

I think this answer clearly covers the provision of the bill. How this is all to be done is uncertain. The question that sorely perplexes me is—How is it to be determined when a surplus exists? The regular grain trade never has been able with any degree of accuracy to determine it. Granting, however, that a way might be found to determine the surplus at the end of a crop year, then what influence is to have stabilized the markets during the heavy crop movements and previous to having determined the existence of a surplus? The only stabilizing influence possible to exert on markets during the heavy movement is continual buying. How is the proposed commission to proceed with buying of grain unless a fully equipped organization for that purpose is created? If such an organization is created, then the present grain handling industry is automatically destroyed and the Government will be the sole handler of grain.

I have put this version of the matter squarely up to the principal advocates of the McNary-Haugen measure and their answer has only been a casual wave of the hand and the reply, "You are pessimistic.



A. E. REYNOLDS

Nothing of the kind is intended." We are not so much interested in what is intended as in what will really happen. I am sure that all experienced grain men will agree that the McNary-Haugen Bill as at present proposed will result in ruin to the present grain handling industry.

In answer to my second question as to how the public understands the bill, my friend replied.

"Now as to what the public understands, I do not believe any man knows."

I quite agree with this eminent authority. The public thinks that the McNary-Haugen Bill, through some hocus-pocus will do entirely different things and do them in an entirely different way from that proposed by the measure itself. I am sure that the majority of legislators favoring the McNary-Haugen Bill understand that an equalization fee is to be levied on all grain to provide funds to meet losses incurred by sale of the surplus at world competitive prices. I am equally sure that the farmers as a whole will be violently opposed to this provision and that the political party that passes a measure with an equalization fee will sign its own death warrant.

The farmer has been pulled and mulled about by political tricksters till he is becoming tired of the whole proposition of farm aid. If the farmer could be let alone for a session and his affairs allowed to adjust themselves, it would be much better for him than the continual adverse advertising he is getting from political and legislative sources. He is not ready to turn over the management of his affairs to any governmental agency. He will bitterly oppose any such inexperienced agency or commission handling his products as proposed by the McNary-Haugen Bill, and collecting from him through an equalization fee the losses incurred.

Nothing new can be said about farm legislation. It has all been said and repeated hundreds of times. Congress will go into the short session with wider

diversity of opinions on how to effect farm aid than has ever existed before. The whole proposition of farm aid resolves itself into the question of whether there is really anything Congress can do to help the situation. Personally I doubt if any direct legislation can help it. I stand where I have stood for a long time, with the firm belief that proper tariff legislation will begin at the root of the evil and come nearer solving it than any direct subsidy, commission or surrender by the farmers of their business to a Governmental management.

Is the Government to be made responsible for prosperity and for the success of private enterprises? Until that basic question is definitely answered there will be no sure or sensible avenue of approach to the farm aid proposition.

Deeply underlying the question of Governmental aid to any branch of business is the other basic question—Is a protective tariff a direct aid to particular individuals or lines of business? Is it possible to construct a tariff measure that will give equal protection to all and favors to none? Personally I doubt it. If we really are to have a Government for all the people we must choose between extending aid to all or to none.

No other question of such far reaching importance has been before us in 100 years. Are we in the future to continue to build America through individual effort and foresight, through keen competition and individual effort, or are we to allow the Federal Government to spread its protecting care and supervision over all enterprises and by so doing rob us of that enterprise that has made our country commercially the greatest of all in history? The rankest socialism that I can conceive is supervision of private business by the Federal Government.

The President: We will now have the report of the Auditing Committee, of which John S. Green of Louisville, is chairman.

REPORT OF THE AUDITING COMMITTEE

The committee appointed by the chair to examine the report submitted by Ernst & Ernst of the records and accounts of the secretary-treasurer, beg leave to report they have examined same, and have found same correct and satisfactory in every way.

The President: It will be necessary to adjourn at this time. We must make a special effort tomorrow morning to open our session promptly. The alternative will be holding an afternoon session tomorrow, and we want to obviate that if possible and to end the session about noon. The trade rules will have to be discussed thoroughly tomorrow morning, and we have two addresses. The other reports that were scheduled for this morning we will have printed in the proceedings of the convention. We will adjourn now until 9:30 sharp tomorrow morning.

THE BANQUET SESSION

The banquet was held at the Hotel Statler, Tuesday evening, October 18, and was an event long to be remembered. W. J. Heinold, president of the Buffalo Corn Exchange, introduced the toastmaster, George C. Diehl, who called first upon President Fred G. Horner. In a short, but gracious and witty speech, President Horner voiced the appreciation of the Association for the splendid entertainment that had been provided.

The toastmaster then called upon Captain Irving O'Hay, the featured speaker of the evening, and to say that his address was enjoyed is putting it mildly.

ADDRESS BY CAPTAIN IRVING O'HAY

MR. TOASTMASTER, ladies and gentlemen: There comes in the life of every young man a big moment, and this is one of mine, a big moment of gratitude to God for having endowed me with a huge bulk and good lungs, and you won't find me as logical as the previous speaker, but you will find me a d—d sight louder.

First of all, I want to apologize to you for not being attired in a more formal manner. You see, I have one of those things, and it is really mine. But as the toastmaster so kindly said, I come without any pretense here, so why wear a dinner jacket? I had to get my shoes out of hook, so I could come properly shod. I know you are disappointed as you look at me, because when the toastmaster said I was a soldier of fortune, I know you expected to see a gray-haired man, all scarred up, with a knife between his teeth, and a pistol in one hand and a flag waving in the other, instead of which you see a rather nice looking boy. Now that may give you the impression that I am conceited. I am. Why in hell shouldn't I be? I arise with timidity. It would seem strange that one of my character should know the meaning of the word timidity, but I do. I am glad to be in your beautiful city again. I can truthfully say that. The first time I came here I was in jail. I have spoken in Buffalo 19 times, always employing the same speech. I can stop in the middle of my speech and go in either direction with the greatest facility. It is the custom to laud the ladies. You women, how beautiful—some of you. And as I look at you women, I do not know whether you are dressed for the opera or for an operation. I mean that particularly of that young lady singer who has just ap-

peared before us. The ladies are more beautiful today than ever before, and we are seeing more of them.

I know nothing about grain. I know the by-products thoroughly. If I were to discuss grain, I should be carrying coals to Newcastle. I know you are tired of talking about grain. This is an entertainment, and because of the fact that my father was facetious, I am about to exercise the prerogative of every public speaker and speak principally about myself, for in truth I am the most interesting man that I have ever met. Now that is just an idea to make you laugh. Didn't the poet of old tell us that God laughs when the sun shines, and he sings through the throats of the birds, and he that neither laughs nor sings is out of touch with the Infinite. Tonight I want to make you forget grain, and laugh.

At times I have been called a soldier of fortune, but I think it should be a soldier of misfortune, because of the facts surrounding my birth. I was born at Washford, in the County Mayo, Ireland. I am the natural disciple of discontent, and I am against everything. The O'Hays were driven out of Ireland. We were exiled when I was a babe of two by the English. I was told for political reasons, but I afterwards learned that it was for stealing sheep. And as I look at the back of this lovely menu, and I see the ladies on the Reception Committee, if some of them will study their antecedents, they may find that they are here for the same reason. The O'Hays emigrated to Virginia, the home of presidents, and I had a narrow escape from becoming a southern gentleman. Nature intended I should have been a gentleman, and after all is said and done, aren't we all the children of circumstances. And circumstances have been a bit unkind to me.

Scarcely ever did I have an opportunity for school-



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ing. I was left an orphan at the tender age of five by a most unkindly stroke of fate. When I see all these fine girls sitting out here, I am compelled to deal in reminiscences, because 32 years ago last spring I took the prettiest girl in Athlone County to the Volunteer Firemen's Ball, and all the way there and back I asked her to marry me, and the d—n fool wouldn't do it. She said "No" very emphatically, and she was probably right. That is the reason I am here tonight, because God when he created us over there in Mayone County, Ireland, he gave us larger hearts than heads. After this romance I took it for granted that life was empty, and that I would never recover, and I lost all my interest in things. Then I got the idea, for it was along about that time that gold was discovered in the Klondike, that I would go to Klondike, get all the gold there was there, and come back to Virginia and make this girl ashamed of herself. But don't you know, I have never reached the Klondike, but I have seen her since.

Now, aside from the laughter which that prompts, as you go through life and weigh your disappointments, weigh them carefully, and you will find everything about even. I never reached the Klondike, but on the fifth day of January, 1895, I sat on a dock in Seattle. My long lanky legs were hanging over the water. I was hungry and sad. But I took up a hitch in my belt and tried to forget. And just then a great hulk of a man came up to where I was on the dock and sat down beside me. "Where are you going, boy?" he said. "Nowhere." He said, "Come with me. I have been going there for 20 years." His name was Ernest Carr, one of the greatest Americans I ever met, six feet three inches tall, able to lick his weight in wildcats, and he would do it. He said his ancestors came over in the *Mayflower*. Bear in mind the immigration laws were not so strict when his people came over. He paid me the greatest com-

pliment of any in the world. He asked me to break bread with him, and from an old newspaper, which contained two sandwiches, he gave me one, and he took the other. We sat munching the sandwiches, the bond of sympathy grew strong between us, and the bond of sympathy woven there has never changed.

Calvin Coolidge told me at the grid dinner last winter that he had read the story afterward written about us, and liked it because of the spirit of camaraderie and loyalty there expressed. It was a sort of camaraderie that brings people like us together in the going down to the sea in ships, and going about in the strange places of the world, which outweighs every other consideration and compensation in life.

And I acquiesced when Ernie said, "Let us ship out on the *Mary McClelland*." The *Mary McClelland* was a two-masted schooner, which we thought was a fisherman, but which we found out later instead was a poacher, and was going up into the islands after seals. I was there 11 months, up there among the Pribiloff Islands after seal, and I learned up there how infinitesimal we are when we face eternity. For two long days and nights, which seemed like ages to us, we were separated from the ship in small boats floating on a huge ice floe, and I made up my mind that if we were picked up, never again would I take life seriously. And at the same time I learned a lesson. A boy among us asked us to refrain from language ordinarily employed by men, and he prayed most fervently. I can still hear that boy's voice ringing in my ears, and I know his prayer was answered, because the following day we were picked up in small boats and returned to the *Mary McClelland*.

She had a crew of 35 men. One man among them did not work at all. He was constantly writing. We did not know who he was and we did not know what he was writing, but in the summer of 1911 we met that poor boy here in Buffalo when we were in jail, and he was in the same jail. The second time we met him we found it was Jack London, and the cruise in the *Mary McClelland* inspired *The Sea Wolf*. It is not only a fine yarn, but it is enough to sow in any young man the seed of wanderlust.

We were paid off in San Francisco with \$431. Great God, what a fortune! Only once in my life have I had more than \$431, and it is not tonight. And with that \$431 we continued on the road to nowhere, and strangely enough, the road to nowhere always leads to little old New York, so terribly misunderstood, the city of lights and shadows, the city of joys and sorrows. Little Old New York, O God bless you! With all due respect to you folks and these wonderful cities from which you came, I would rather be a lamppost on Broadway than the mayor of any other town I have ever been in. When we arrived back in New York in 1897, again we stood on a dock, this time by appointment with a boy that belonged to the same fraternity as Ernie belonged to at Lehigh University, Richard Harding Davis. We were all husky fellows, and we made up our minds to join up with the famous filibuster *The Three Friends*. And in a common cause, Dickie Davis, Ernie, Helgate Johnny O'Brien, Knock'im-Dead Morrissey and I united, and we mingled with men from the finest social strata.

A year ago I was at a dinner where one of the speakers was Admiral Chester of the Navy. When he was introduced to me, he looked at me and said, "I know this Irishman. We threw him and his crew in prison in 1897 for a violation of the neutrality laws." The idea of our going to help the Cubans without first consulting the immigration authorities! So the whole crew was put in prison, but we all got out with the exception of Johnny O'Brien, and we couldn't get him, so we sailed without him. The young man who stands before you was promoted to be captain of the ship, our executive officer was Dicky Davis, and my navigating officer was Ernie, and the consequence was it took us damn near six months to find Cuba. However, you should never mind that. There were other navigators in history quite as dumb as we were, and if Columbus had not lost his way, perhaps you and I would not be here tonight. We reached Cuba, disposed of our cargo of ammunition, sent the money to Mrs. O'Brien, who now lives over in Brooklyn, and then Dicky Davis persuaded Ernie and me to join the army of the Insurrectos under Gomez.

That was the second war for Davis, because he had fought with the Greeks against the Turks over in the Balkans. It was the second war for Ernie, because he had been down in Venezuela fighting one of their wars. It was the first war for me, and I wish to God you could have been there to have enjoyed it. We were well shod, well clothed, well mounted. It was not much of a war. There was no real danger, and after seven months Davis called Ernie and me, and says, "Come here. I have enough material for a book. Now, let's go home." But Ernie wouldn't go, so we left Ernie in Cuba, and Davis and I returned to New York. He left me there. He went to Meriden, Mass., and left me in New York. I almost starved to death.

I suffered from a double handicap, born in Ireland, raised in Virginia. That is a handicap no man has ever overcome and made a commercial success. And I mean it. I almost starved, but thank God, a life saver came along in the spring of 1898 in the form of the Spanish-American War, which found me patriotic and hungry. Hungry patriots enlist more

quickly than patriots that are well fed. I enlisted in the first United States Volunteer Cavalry, better known as the Rough Riders, under the greatest man I have ever met, the elder Theodore Roosevelt, and I want to lay stress on the word "elder". Roosevelt—we may have had other Americans, greater than he, but I never met them. He was sometimes wrong, but even when he was wrong, he was 90 per cent better than those in public life today who have the audacity to think they are right. He did not disagree with you because you sprang from the loins of a man of a different race or creed, but because he thought differently, and that was his privilege.

In 1904, at Syracuse, N. Y., he and I were delegates to the convention of Spanish War Veterans, and we indulged in some personalities, and he rushed at me and said, "O'Hay, you are like all the Irish, you are dense." And I said, "Roosevelt, you are like all the Dutch, you are still dirty." And the convention adjourned until the next day, Saturday; and Sunday I met Roosevelt unaccompanied by any of his aides, and I said, "Hello, Colonel." He said, "Hello, Sergeant, where are you going?" "I am going to church." "Step into the Powers Hotel and I will check my grip and go with you." And he went with me to my church. It was not that it was my church that particularly pleased me, because I would just as soon have gone to his, but I learned that morning that he was not a bigot, and you cannot be an Honest-to-God American and be a bigot.

I know once he made an ass of himself, and that was on the 24th of May, 1898, at Tampa. He was nothing but a lieutenant-colonel, and I was a sergeant. And Roosevelt had the nerve to take away my three stripes and give me 10 days in the guard house for being drunk, and I say to you, as God is my judge, that it was not me on that occasion that was drunk. But that was why I loved Roosevelt. He was a human being, possessed of a fault, the same as I am possessed by most of you and me, and I say to you advisedly that when the day arrives when we have



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become all virtues and no faults, we will become a fine race of walking cream puffs. You wouldn't accuse him of being a cream puff.

So away we sailed, Roosevelt, myself and the rest of the United States Army. I wish you could see my discharge. Battles and skirmishes, San Juan Hill, Santiago City, and a lot of others, giving you the impression that Roosevelt and I all by ourselves had one Spanish War. But I never fired a shot and never saw a Spaniard until I reached Spain several years ago. And so in my first two wars, I never fired a single shot, and the Spanish War was not exciting as this existence I am now forced to live, that of being an after dinner speaker. I am getting so now that every time I hear the dishes rattle, I start to talk. For a long time it was no trouble for me to talk after dinner, but for half of a century I had a hell of a time to get the dinner to talk about. I never heard any shots in the Spanish War, but I had some thrills with Roosevelt, and on the 16th of July I met another thrill, when I met Dicky Davis, and he threw his arms around me, and said that his book *Soldiers Three* was completed, and that I was one of the characters. And that tickled my fancy, until I read the book. He described the "Filibusterer" as being an Irish gentleman, and a wonderful thief, merely because on one occasion I found it necessary to sell a battery of artillery to the other side.

Now, isn't that the keynote of all national conventions, co-operation and efficiency? So, as I was an O'Hay, and there weren't any sheep about, I sold a couple of horses. Now, we didn't all have horses. Doesn't it seem strange to see a Rough Rider trying to get hold of a horse? But some of the Rough Riders were mounted and some were not. We were all, supposedly, expert horsemen, but they didn't have enough expert horses to go around. And because of this wonderful efficiency in the War Department, over night they decided to make us infantry, and they took away our carbines and gave us long Krag Jorgensen rifles, but they forgot to take away our sabers, and so we were a handful of soldiers with our hands full of rifles, and dragging our sabers at our heels, and

giving the fellow back of us a knock with a sword every time he moved.

I enlisted in 1917 again, and the time came for my first pay. Now, this shows the efficiency of the great War Department of the United States, because when pay day came, \$1.04 was deducted from my pay for what they said I owed for a halter since the Spanish War. And in 1917, when I came into the army, I lied about my age. I believe in the forgiveness of sins, and when judgment day comes, I believe the first sergeant will be old Saint Peter, and he will call the roll. "Is O'Hay there?" "I am." "Step up. You told a lie about your age." "I did." "Well, grab yourself a good seat. It's all right." Now did that lie disturb the efficiency of this Government? It did not. That shows where they had this efficiency, because they immediately raised my soldier insurance from \$6.10 a month to \$7.80 a month.

I say to you gentlemen, and particularly to the ladies, that the progress we have made in the last 25 years is such that I have no desire to retrogress. I do not want to go back to red flannel underwear, public drinking cups and roller towels. But we must not take it too seriously, and I wish we had more of the human element, because the most remarkable nation and people on earth went to their doom in 1914 when they became so efficient they ceased to be human. I do not care whether you own the greatest grain elevator in the world, or whether you are the most humble clerk; all that is expected of you is an honest day's effort for an honest day's pay.

Well, in the Spanish War, our road took us down to Cuba, and by that time I had got a couple of horses. When we got down there we saw the two Cuban generals, and Johnnie Poe, the old Princeton football player, and we saw Funstan and Gomez, and at the rear, astride of a mule, was the greatest general of all. The mule is a noble steed, with no pride of ancestry and no hope for posterity. I couldn't see his face, but I knew his voice. He said, "O'Hay, you d—n fool. What a fool you were to go back to New York. Look at me; I am a general." It was Ernie. Now, doesn't that show that the best laid plans of mice and men oft go astray? There was Ernie a general, and I nothing but a sergeant. I said, "Good-bye," saluted him and then I saw him in the next war.

My next war was in the form of yellow fever, and I went to the hospital, and then after a while I was discharged back to Warrentown, Va., and there I thought I would be a hero, but in the meantime my little boyhood sweetheart had married Albert Fisher, a fat son of the butcher. So I arrived at the conclusion that Virginia was lost to me, and I knew more new worlds to conquer, and I went to my relatives to finance the expedition. I always like to give my relatives the first chance. I did get a little money, and I arrived in New York City with sufficient money to go abroad. While I was waiting for a ship I became involved in a discussion with a Hebrew as to the speed of a thoroughbred horse, and as usual the Jew was right and again I was broke. But I eventually secured passage on the White Star Line steamer *Homer* as a chaperone for tourists, the tourists being a number of long horned Texas steers.

Back to Ireland I went, and in truth I found it to be heaven. Now, with the Irish fighting among themselves, it disgusted me greatly, and I am one Irishman who is not a long distance fighter. I met another cousin of mine, and after meeting him I realized the Irish owe their right to be presumptuous from the old stock, because my cousin told me the O'Hayes were possessors of family trees. And then I realized that family trees produced sap, because my cousin was a sap. He, fearing his social standing would be jeopardized by my presence, gave me 50 pounds to get out of Ireland. Wasn't he a sap? And why take your social standing too seriously? This is my idea of social standing: Meeting with men and women, receiving the slap of commendation on the back. I know that it is the ambition of all of us to associate with those of culture and attainments, but never take it seriously. And if Mrs. Brown gives a party and doesn't invite you, to hell with her.

I saw far more of Europe than you will see, because the railway conductors in Europe were not as efficient as the conductors in New York State. Pardon my using slang now and then. You do, I imagine when you aren't dressed up. I wound up in Naples, Italy. I was broke. But God always takes care of His wanderers, and He always sends a haven of refuge. And it is always the sea, and again I was at sea, and I shipped in the steamer *London* to South Africa as a chambermaid to mules. Now, I know you all have a certain element of romance in your lives. I know the growth of your organization in 30 years has been romantic, but one never knows true romance until one has been a muliteer.

Imagine a ship a trifle larger than this banquet hall, with 980 Dago mules that couldn't understand you when you swore at them. I was one of the 27 young gentlemen, all of the highest kind of intelligence, attending to the wants of mules for 49 days, and we landed in Africa the day the Boer War broke out. We discussed the situation. What was the war about; what were they fighting for? Is it the march of civilization or a lack of progress? And I being Irish, was in a frightful predicament, I wanted to fight

somebody, but didn't know who. So one of the men among us decided our fate for us by tossing a coin, head or tails; and, glory to God, I was in a worse fix, for the English won. I am going to make a broad assertion, that never in my life have I ever violated my word given to a pal, not once. And I will not use the language of the banquet hall, but the language of the gutter: The vilest thing in life is a welcher, one that cannot be trusted. With the boys that were accepted I joined the Advance Horse. We had 26 Americans, 400 British, we had Armenians and Turks, men from all the walks of life. And the Boer War was a dandy, because my regiment was accredited with 26 engagements, with hand to hand fighting, and I was wounded in the shoulder on Christmas morning, but I was sorry when the war was over. My biggest trouble is making a living between wars.

The Boer War was a good one, and had all the adventure and romance of any war, and when a Boer was in a tree and had the bead on you, or you had a bead on him, sometimes neither of you could fire. And on Nachtmal, which is their Easter, 600 Boers stacked their rifles, and we did the same, and then they led us to church. Then we declared the war off until Easter Monday. This is the way to run a war. And I never saw an act of dishonor committed by a man on either side. The first year the Boers knocked the hell out of us, the second we beat them, and the last six months, in fairness to the English, I want to say that we had word to fire over their heads whenever we could, take their arms away from them, take them in and read the proclamation to them, and if the conditions were accepted, to send them to their homes. And that was a square deal. But we had orders to make prisoners of the Lost Legion commanded by Jimmie O'Hara of Buffalo, Jeremiah Lynch, of Philadelphia, and Max Cummerford, of Boston, Mass. We drove them into a corner and had them covered. And after a while in they came, with their rifles over their heads, and a great hulk of a man dropped his rifle at my feet, and said, "Great God, don't you know me"? It was Ernie. Dicky Davis had told him I was out there, and they presumed I would of course be against the English, so they joined the Boers. So after a while O'Hay gave Ernie the best horse in the regiment, and Ernie made his getaway. And I met him five years later.

The end of the war came and I was in fine physical condition. I was rich. I had 700 gold sovereigns, which I had acquired with the fine instinct of the Irish at gathering sheep which knew no masters. Isn't the sermon, "Bring them back into the fold"? They don't tell you which fold. And we received our gratuity. That was 24 years ago. They didn't insult us by calling us commercial fighters, or tell us they were giving us a bonus; they simply gave us 100 pounds to get back on our feet with. But as I drew mine, the sergeant-major said, "Good God, is this your name, Patrick Irving O'Hay?" And I said, "Yes." And he said, "I will pay you your money, but you are in trouble. There are two charges here against you, that you have disposed of some of Her Majesty's goods. You had better not buy any ticket, but you work your way out of here." Now, you see with some of our remounts, they hadn't been turned in. We had picked up some remounts from some other Americans, but we hadn't turned them in either; we had disposed of a few of the steeds through channels other than the regular channels, because we were just 25 years ahead of our times in adopting modern business methods.

I took the sergeant-major's advice, and did not buy a ticket home. I got into a sailors' boarding house kept by a cross-eyed landlady, and she gave us herring and huge quantities of potatoes, and whole buckets of Perkins ale, an amber colored fluid; possibly you remember it. I want to say to you with all sincerity, it was not so terrible, and when Almighty God endowed grains with it, he intended it should be indulged in in moderation. Wasn't the Last Supper celebrated with wine, and wasn't the first miracle of Jesus, the turning of the water into wine at a dinner party, rather than have the hostess embarrassed; he sent for jugs of water, and transformed them into wine. There is nothing in the Holy Writ which forbids it. My wish is not the father to the thought, because I am a temperate man. The abolition of the saloon was a blessing, and I pray it will never return, but d—n this hypocrisy of the present day, and that is all it is. During the last four years I have sat at banquet tables with 93 senators and congressmen, and only two did not drink. I have met seventeen governors and only one did not drink with me, and that was this gentleman over here in Pennsylvania. Shakespeare says, "To thine ownself be true."

I am, invited to the finest homes, and in the presence of the children the lady will offer us orange juice. And then when the children leave, they will offer us pre-war gin. It is pre-war gin, all right, for after two drinks the war starts. And the supposition was that the youngsters would not know what it was. Lady, when you go to the cupboard and bring forth the decanter and bottle, the kids know it doesn't contain horse liniment or holy water. And being decent is the result of something within; it is never the result of pressure brought to bear from without. It has gotten to be a fine condition of affairs when men and women of your standing cannot be trusted with your own moral obligations. Better is the man

that has never taken a drink, but I say to you, when the next election arrives, vote as you drink and drink as you vote. I have no political ax to grind. If I wanted to go out and talk in a political manner, I could make more money than I would justly deserve. But I say to the New Yorkers here, milk is not the campaign issue; beer is. Thank God, there are some kindred spirits over there in the corner.

Well, here I was in that sailors' boarding house, and wondering how I could get out of the country without the embarrassment of explaining certain things to certain unsympathetic magistrates. And as I sat one day in that boarding house, a man was asleep near me, and out of that man's pocket peeped a discharge. And when no one was observing, I went over and put into his pocket a couple of gold sovereigns, and extracted from his pocket his discharge. And in that discharge he was ordered to report to the shipping office for the ship *Leeds*. I went to the shipping office and the boat was ready to sail for Maine. And the shipping clerk said "Jeems Taylor, being as you worked so well over, we shall give you charge of 1500 sheep on the way back." Sheep seem to be our family skeleton, and I was wet nurse to about 1,500 sheep.

We reached Maine after while, and I was not long in getting to New York. And I had had five and a half years of semi-civilization, and I had this gold, and I wanted to be a gentleman, and I thought tailors created gentlemen rather than assisted in the making of gentlemen. I went to a tailor, and when he got through with me—Solomon in all his glory was a bum. And I had my English money changed, and I had \$3,600 all in money, and if I had gone to a small town in Iowa and started a grain elevator, just think what I might have been! But no, I tried to do that same thing which General Butler tried to do in Philadelphia, put all the bartenders and race track bookmakers out of business. Of course, my methods were not quite the same as those of the General, but I was just as successful. Soon again was I without finance, and I was forced to go to work. What a terrible hardship imposed on an Irish gentleman! And the first job I got was breaking animals for a Wild West show. And here is the irony of life. Just as I was getting well started, the show became a failure, and I was again out of work.

I became bitten with the theatrical bug. The thing for me to do was to go on the stage. And so I started in to become a John Drew, and got a place with *The Girl of the Golden West*, as the squaw man. With all my lack of knowledge of the true technique, I was such a rotten actor! I thought I was good until one day in Boston, in 1905, at the Majestic Theater, I was in one of the Belasco plays, *The Rose of the Ranch*; the leading lady was Francis Starr, and the hero was Roger Richmond, and I was the villain, and, oh God, I was so good! Every time I made my entrance on one Thursday, a couple of fellows kept laughing at the wrong time, and every time I came out I heard them say, "My but he's rotten!"

After the show was over waiting for me at the door were Jimmie O'Hara, of Buffalo, and Richard Harding Davis. They grasped me by the hand, and Davis said, "Good God, you are the funniest thing I have ever seen on the stage!" I was embarrassed. I thought I was a success.

"I said what are you lads doing around here?" They said, "We came down here to get a ship. We are hurrying to the Balkans." And I said, "What is that?" I didn't know what the Balkans was; I thought it might be something to eat. And they said, "Not what, but why." And then they went on to explain to me that they were hurrying off to Europe to get there on time to get into a war between the Serbs and the Bulgars. Well, we three sailed on Saturday. That was one time I paid my own way to get into a war, and we went first class. I have always gone first class. I don't like second class, because with me it is either first class or shoveling coal down below, or working in the horse cabin; there is no class in between for me. We landed in Liverpool, went overland to Bulgaria, and joined up with the cavalry of the Serbs. And we had a fine time down there, and they were a fine plucky lot.

On December 6, 1905, I was with a brigade of the Serbs, about 5,000 of them, and they are only about five feet one tall, and they came with their left shoulder extended, with a slow tread, and their ranks never faltered, and they plunged into the Bulgars. We made the charge, and I received a delightful souvenir in the way of a sword cut. Right in front of me at that charge was a little white-haired man who bore the marks of a captain. He could thrust and carry and cut and point as no one else I have ever seen. Finally he fell with a cut across his leg. We overcame them, and three weeks later in a hospital came the greatest surprise of my life. Along came that little 60-year old captain, and it was King Peter of Serbia, every inch a king, prepared to lay down his life that his people might carry on. And he was far more democratic than a lot of senators and congressmen and captains that I have seen here in the United States. And in English he thanked us Americans. He spoke fine English. He told me he had spent two years in America, one year at the University of Pennsylvania, and he said he knew a lot of Americans. And then he mentioned Roosevelt,

and then I said, "Sire, I have been a soldier under Roosevelt."

Well, old Pete took it for granted that I must be a regular guy, because he pinned a medal on my chest the size of a water bucket. It was the medal of the White Eagle. But we later had a financial depression, and I was caught in that jam, and I found it necessary to use Pete's medal. I hadn't got my pay. The Serbs were absent minded. I won that war, but they forgot all about it. And I shipped home from Poland to Hoboken, N. J., as a coal trimmer. Were you ever a coal trimmer? Every morning of my life I have taken exercise. I still do setting up exercise. I have never played golf. That is just a hoof and mouth disease, you hoof all day and mouth all night about it.

For 19 days I was a coal trimmer, and I landed back home to receive \$17.70. And I found a Hebrew who sold me a suit of clothes for \$6, and he gave me some soap, told me I could have it, they didn't use it, and he sold me a pair of shoes, and I bought two doughnuts and two cigars, and my money was all gone. I had no hat, so I pawned Pete's medal for \$1.25. And there I stood, quite presentable. Then I remembered in the suburbs of New York, at Edwards, Long Island, I had some relatives whom I had neglected. So I went to call on Uncle Amos. He said I was a disgrace to the family, but it wasn't his family at all, it was my family—he had married into it—and as a matter of fact, we had to convert him to get him in. But Uncle Amos was the president of a Rotary Club, and owned a shoe factory, and he decided to make a shoe salesman out of me. So for 30 days I worked in the factory, and they had me burning the midnight oil, studying *The Principles of Salesmanship*, and *Personality Plus*. And then they sent me with a trunk filled with left shoes. Evidently my reputation had preceded me, and they wouldn't trust me with both left and right.

I made Schenectady, and got ready to see my first prospect. The books said that the card should be extended between the first and the second fingers of the right hand, facing the buyer. I failed to impress this gentleman. I know what it was. It was the *Personality Plus*. And he took my card and said, "No, your shoes ain't no good." Well, only as the Irish can do, I cast reflections on his maternity and walked out. Don't be explaining that now. Wait until you get home. Then you say the Irish have no ingenuity. I had a dozen aluminum cards made, and I went back and he d—n near tore his finger off on one of them.

Uncle Amos paid my fine. It was only \$10, and he took his shoes back. I went to New York, and I didn't have anything to do and no way of eating regularly.

Tim Hurst came to my rescue. You know he was the old baseball umpire. He said to me, "You have nothing to be ashamed of and nothing to be proud of. Why don't you quit going to wars? Why don't you settle down?" And I settled down, and became a baseball umpire, and I got that nose. That is the result, not of a war, but of a baseball pitcher. I got a job in the Southern Association, and the opening day of the season of 1907 saw me behind the bats, calling balls and strikes. Bill Brennan was on the bases. It was at Little Rock and the team they were playing was New Orleans. And I could hear the murmuring of the great multitudes, and one man yelled, "Kill that bum behind the plate." I thought he meant the catcher, but it was me he meant. And after the game I was in the dressing room, and there was a knock at the door, and I said, "Come in."

And I looked around, and there stood two men, and one of them was Ernie, whom I hadn't seen for two years. He said, "O'Hay, you will recognize here General Lee Crismus," who had been mixed up in three revolutions, but was then only back from the Northwest. I said, "Ernie, what are you doing, and where are you going?" He said, "There is a man named Lopez leading a revolution down in Honduras, and certain financial interests are backing him, and they have Johnnie O'Brien ready to go and Tracy and Richardson, Sam Lennon, John Brannon, all ready." And to me Ernie said, "Are you going with us?" "No, I am through." "What are you making at this baseball business?" "Two hundred dollars a month." "You're a sucker; you will likely get killed with one of those pitched balls. Come with us, and we will make you a general."

And now comes a story of disappointment. You folks sit there and worry about grain. Think of us, The three greatest generals that ever lived. General Crismus, General Carr and General O'Hay! And we trained our army, and after we separated the men from the women, we had the army in pretty good shape, and then finally we started out for Tegucigalpa to make our attack. But we overlooked the fact that the other side had four Gatling guns. The Gatling guns opened the fire and the revolution was over in five minutes, and we haven't seen our army since. You worry about business. How would you like to be a general and have the war last 20 minutes? The nine of us, we lost Ernie, made our getaway, and six days later in Caracas we met Dicky Davis. We met him on the dock, and said, "How do you do?" He looked disappointed. "You are a fine lot of fellows. I have always helped you, haven't

I? And I landed yesterday morning to write, and I was supposed to write a story about the revolution. Couldn't you keep it going long enough for me to write a story?"

But we had lost General Ernie Pennsylvania Carr, and we told Davis we had lost him. "No, he is there in the cortina." And into the cortina we walked, and there was Ernie. He was sitting in there working out a campaign. He had a number of empty bottles, and they represented army corps, and one glass represented his particular army. We gave him a big slap on the back and he rose to answer, and threw down a handful of gold. "Listen to that, you guys," he said, "Look at that. You have nothing to worry about. All you have to do is to change those buttons. There is something going on up in Nicaragua." And God was good. And Ernie looked out for us for nine days. Something will always turn up, and nine days later saw us up in Nicaragua. In Honduras I was a general, and in Nicaragua I was a water carrier. That lasted four days. And so we had two wars in one summer, and both times we picked losers, and back we came, Ernie and I, both of us working in the galley of a ship.

O'Brien was a waiter, Ernie scoured the pans, and I had a position where I couldn't sit down, because of the height of the barrels that assisted in my daily endeavors, because I sat crouched like this, and I would pick them up like this and put them back. In fact, I was the potato peeler, and for nine days I peeled potatoes. And those three men were the greatest and biggest men I met in my life. I mean it seriously, and when I say big men, I know. I have been presented to six presidents, five European rulers; senators and congressmen have become common place, and the mayors of cities, oh hell, they annoy me. And the biggest man came back in the ship with us. You know him in your libraries as O. Henry. We knew him as Bill Porter.

As a youth he worked in a bank at Austin, Texas, and there occurred an irregularity, and by his absence he gave the impression of guilt. And he came back two years later and gave himself up. When he was called upon to plead, he was mute. He was examined for sanity, and found sane, and was tried and sentenced to 20 years in the Federal penitentiary. And five years later another man died, and admitted that he was the cause of the bank's shortage, and then Henry was liberated. And that is the truth, for we said to him, "Give us the low-down." And he said, "The other guy was my pal, and he had a wife and five kids, and I thought it best to do the stretch and save the wife and five kids the humiliation." The greatest man I ever met went to jail to shield a wife and five children, and went to his death beneath a cloud, and few have taken the opportunity to dispel that cloud. I do not say it is necessary to go to jail to prove one's value in the world, or to carry out the principles of the Golden Rule, but that personal spirit of self sacrifice as shown by O. Henry is sadly lacking in modern life. And those things they call life and death, in our teachings are true, there is no death; it is merely a step outside, and on the 20th of May I unveiled a monument to O. Henry. I found his grave had no tombstone. He said he wanted none, that tombstones merely perpetuated insignificance. He was the greatest man I ever met. I hope I can meet a few more folks like O. Henry. You will now read his books with greater interest when I tell you that he never wrote fiction. Every story he ever wrote, particularly *The Four Million*, he got from real experience.

We stood in a store at the corner of Forty-Sixth Street and Eighth Avenue one evening, and Henry said, "Gentlemen, do you know Mrs. Astor?" "Which

one?" "Mrs. William Waldorf Astor. She is no good." "What do you mean?" He said, "Look at the origin of that name *The Four Hundred*. Mrs. Astor at one time said, 'There are only four hundred people in New York worthy of associating with.' I said, 'Well, what about it?' He said, 'That is not so. There are 4,000,000.' The finest bit of American philosophy I ever heard, because he was arrayed against all sorts of snobbishness or un-American traits. He was a brother to the poorest folks in the world, and the book he called *The Four Million* came from that incident. The sweetest guy that ever lived has gone away.

And when we got back to New York, Henry, O'Hara and I and Carr, we got the best job in New York. We became lecturers on the sight-seeing automobiles. It wasn't dignified, but what is dignity? I have been trying to find out for 50 years. My idea is that any form of employment which is on the square is dignified. And there we continued until Henry's success came, and he shared it with us, and we became successful. In 1910 Ernie, you may have seen him at Mike Shea's, when he played his little sketch, and I was a picture actor. What gave me my success? My ability? No. This big nose. Look at that blow pipe of mine. And there I was out in California as a picture actor. And one day I met a man named Garcia. He said to me, "You are not General O'Hay?" And I said, "Yes, I am O'Hay." And then he told me of Mexico. He likened Mexico to Ireland, told me how they had been ground under the heel of despots; that Diaz was a tyrant. He said that Francisco Madera was a great patriot, and that if he had a half dozen good Gringos, he could liberate the Mexicans. I couldn't sleep; I was worried. If we can't free Ireland, we can free somebody, so I wired to Ernie.

He was playing his sketch in South Bend, and in 30 days I was Colonel O'Hay. My knowledge of Spanish was just six words. I went into one place, and looked up the commander there. He said, when I saw him, "Glory be to God, you aren't O'Hay?" I said, "I am, Senor." He said, "Senor, hell. I am Johnnie O'Brien." I was introduced to the main general, and when he introduced me we walked up to the only tent I ever saw in the Mexican army, and to show you the discipline of the army, he yelled, "Hey, you, come out of there. O'Brien, shake hands with O'Hay." And O'Brien was Obregon. Now, who but the Irish could have liberated Mexico. They gave me 102 soldiers. I never saw them all at once. And I went across the Cosa Grande, and one day I saw a fellow that looked like an American wandering around, so I went over to where he was, and it was Lee. He says, "All the guys have gone away, and have left me flat. Did you see Ernie? He is fighting with the other side." So I borrowed five pesos and left my army with the fellow that loaned it to me for security, and started north to find Ernie. I found Ernie in Las Vegas, N. M., and he was indignant. He said, "Of all the d-n fools I ever met, you are absolutely the worst. I received your wire, but you forgot to tell me which side you were going with, and I joined the other side."

We finally got back to Buffalo, N. Y., and on the corner of Chippewa Street we were selling Australian wool soap. We were giving a great talk. It was fine for eczema, fine for lace, fine for ink stains, fine for the children's faces, was a great thing for scouring silverware, and was good for cut glass chandeliers and for the floor; no home is complete without it, and we were honest in our endeavor to clean up the great American public. And Ernie had ended his story, and I was about to get on the stand, and along came an Irish policeman, one of those fellows who

made up his mind before he left Cork that he would be a cop, no matter where he landed. And he fanned Ernie under the coat tails with his club, and Ernie and the cop went to it. I felt that I would have to bring up the reinforcements, and then a couple of cops that we hadn't seen came up, and we went to jail for selling soap. But thanks be to the great heart of Justice Patrick Keegan! Do not confuse him with a fellow that came on later whose name was Ke-gener. This was Justice Patrick Keegan. He said, "What's your name?" "My name is Patrick O'Hay." "Where are you from?" "From County Mayo." "The charge is selling on the public street without a license. What have you to say?" And I started to talk, and Ernie tried to talk, but I kicked him in the shins, and I kept on talking, and we d-n near sold the judge a cake of soap.

To show you that Buffalo is the greatest place in the world, the judge gave us each two dollars and 24 hours to get out of town. And the next man to come before him was a vagrant, and he was fined \$10 and given 24 hours to get out of town. And that man was Jack London. And in *Barleycorn*, it will be interesting to Buffalolians to know that much of the local color in that book is from old Canal Street. Through the generosity of London that day, Ernie and I got back to New York in 1911.

And then came the turning of the tide, because strange though it was to both of us, we became successful. What is success? My idea is passing down the middle of the road without annoying passersby, and bring in the flowers of success. You pluck the posies because they rightfully belong to you, but do not pluck them out by the roots, but leave the roots so that more flowers may come. And as we go along, let us always look forward, and let us pluck one flower of white, the emblem of purity.

We were successful until 1914, when Ernie and Lee and Johnnie went to Montreal, and Johnnie Poe went to his end like a soldier, with the Black Watch. And Ernie still carries on. He is an old man tonight. He cannot do his little sketch, but Ernie has made me so ambitious, he has cared for me like a father for a son, and I am now ambitious to pay him back for that sandwich he gave me so many years ago. In 1914 I was successful. I played your Tech Theater with *Ziegfeld's Follies*, and that is success. You talk about the temptations of St. Anthony! The fellows went to Toronto, and I stepped upon the stage in Toronto one night to sing the opening song, and I heard a voice in the box say, "Cheerio, Yank," and there were soldiers three. There was a white-haired old man with ribbons on, there was Sergeant Hughie McConaghey, and James McCarthy, of the Dragoons, and Thomas Kennedy, formerly of the Canadian Rangers. "Are you going with us?" they asked. "No, I am not going. My sympathy is not with you, and I am doing so well." "Carry on, Yank, but if you decide to go with our battalion, we have a lot of Yankee chaps, good men there." I didn't want to go, but here again comes the irony of fate.

I stepped on the stage and there was pandemonium in the house. One of the soldiers says, "They don't want to be impolite," but one fellow hissed. What is there in a hiss? A mist came in my eyes, and something came in my throat, and the courteous orchestra leader tried to give me the cue, but I was an Irishman born, and I want to say, without a feeling of regret, that the next morning I stepped into the ranks of the Princess Patricia's Canadian Light Infantry, the most daring body of men who ever died. And I say it advisedly. At times they died too readily. I do not say their death in the war made the world safe for democracy, but if religion is true, they died as Christ died, that you and I might carry on. You



BANQUET ON THE FINAL NIGHT OF THE GRAIN DEALERS NATIONAL ASSOCIATION'S 1926 CONVENTION AT BUFFALO, N. Y.

know the true history of the Princess Pats. Our youngest man was 17, and our oldest man was 59 years old. We had 221 Americans, 39 of whom had been officers in the United States Regular Army, and resigned because they were impatient, and could no longer wait. We had 70 Germans, and they were men who had adopted Canada as their home, and they went forth to fight for their home, so different from some Germans of Buffalo. There were 700 Celts and Scots. We landed with 37 officers, and 1,258 men. We went up to Ypres, and were there a little while, and then came actual contact with the enemy, and then the gas attack, and when I saw 700 men go crazy.

And then it was Mt. Julien, and a lot of other places, and those names mean little to you, because you were busy; but out of the 37 officers, 36 never came back, including Colonel McCrae, who wrote "In Flanders fields the poppies grow, between the crosses row on row."

Those 36 will never leave Flanders fields, and the one officer we brought back sat in a wheel chair minus an arm and an eye and a limb; and another soldier sat there, Hugh McConaghey, minus both limbs and both arms, and James McCarthy minus both feet and arms, and next to him was one man blind. And there were 16 men, making all told 19 survivors of the Pats. And I went to a reunion of our post a little while ago, and the three wheel chairs were filled by the half men, and a couple of the others were led up, and there were the whole of us who marched out that day. Jack Munro, you knew him as a pugilist, but I knew him as a champion. He had more guts in his little finger than Dempsey had in his whole carcass. And Jack Munro, Bill O'Hara, the ball player, another fine chap, and O'Hay, the four of us, get about. And still there are some of us so narrow as to say we won the war.

The United States Army was the factor which brought this war to a conclusion, but you must not say that we won the war. Had we thrown our resources with the enemy, he would have won, but little you know the sacrifices of your neighbor across the river here. And they are your neighbor country, you are so much like them and they are so much like you, that at times the similarity is most complete. And from the Great Lakes to the Arctic Circle, and from the Atlantic to the Pacific, they are unable to find a home that has not given a boy to the very jaws of death. But why fear death? We should rejoice that men live who are like that.

And out of the 19 survivors of us, six were Americans. The biggest thrill of our lives came when the generous Canadian Government gave us our discharge on the 6th of April, 1917, and told us the great nation on the other side of the line might need us, but that if we were not accepted as soldiers, to come back to Canada, and Canada would take care of us. But the United States accepted us, and another greatest thrill was on the afternoon of the 7th of April, 1917, on Governor's Island, in New York Harbor. You know the geographic location of Governor's Island, how it faces the Statue of Liberty. It was sundown, and the sun seemed to be bathing in the waters of New York Harbor, bending its rays upon the Stars and Stripes as they floated there in the breeze, and they were more beautiful than they ever had been before. And here with the enormous band playing the "Star Spangled Banner"—you could not turn your heads, but turn them we did.

There was Alexander Rasmussen, who had been a colonel in the United States Infantry; Jack Manton, formerly captain of the Philippine Constabulary, and both of them there in the ranks. McCloud was there, and Number 1 was old Father MacDonald 61 years old that day. And I wasn't ashamed of my dress. I know perfectly well in these piping times of peace, when the horn of plenty is filled to overflowing, that the fighting man is regarded as an evil necessity. And it is thought that the mind and heart of the soldier are calloused; but the emotions of a soldier are more easily stirred than of him who has never heard the tramp of his comrades. We were boys again; we had been ne'er-do-wells; we had been branded as failures, because we hadn't followed the lines of conventionality. But we never violated our word to a pal, or a pal's sister, and we were better than many of those who condemned us. And we were home that day. And we were filled with a spirit of glee. We had helped to unfurl other banners; but we were home now to give everything we had, life itself, for our own, and we asked no greater privilege than to do our bit. And whether we are believers in the teachings which I have accepted of Sunday morning, I know we are in the hands of the Almighty, because why should I be here with you tonight, when Rasmussen, Manton, MacDonald, Griffith and McCloud lie buried in France as American soldiers, and yet I, the greatest wastrel of all, without family, without kith or kin, with just one old man who had wondered where I had gone—and I alone came back. It only goes to show how infinitesimal we are in the hands of this great power.

We must not take ourselves too seriously, for there are God's law and man's law and the extent of your mental capacity, and nothing more than that, nothing beyond that.

I went to France as a second lieutenant in the Regular Army. I did not mind my own business one night, and wandered out a little too far, and I was

wounded. I came out of the hospital and they made me a first lieutenant. At Chateau Thierry at Tille Court—well, I was eight miles behind the line at Chateau Thierry, and a stray shell got me. I came out of the hospital, and they made me a captain. If I had been wounded often enough I would have come out of that war with Pershing's job. And the last one I got was on the 29th of September, 1918, and I came out of the hospital on the 4th of August, 1920. And what do you suppose those d-d doctors did to me? Well, they put a sheep bone into my left leg about nine inches long. Now, ladies and gentlemen, this last war taught me much. This last war was a cold-blooded, mathematical, mechanical proposition of slaughter, in which mere men amounted to nothing. It was a matter of 80 per cent intestinal stamina, and only 20 per cent of physical prowess. It was not a ramrod automaton that saved this country's honor when the country and the country's honor was at stake; it was the boys from the street corners, the kid you never thought amounted to much. And he marched beside the banker's son, and he had the sense of humor with him, and some times his corporal talked clear out of the corner of his ear. It was the saving of the country. He saved this country's honor, and we lost 46,761 of them, and 25,000 went to their death unnecessarily, and of that number about 80 boys of the city of Buffalo were murdered at Bondy and Guey because of the pacifists. If you intend to be Christians, the Christian thing to do is to give a soldier and a sailor a chance to live. A pacifist would fill the veins of a man with water rather than blood. Give them a chance. It is my earnest prayer that we will never meet them again, but I know we will, and there is no reason why the young men of this country, irrespective of their social standing, should not give three months of each year between



C. C. MILES, PEORIA; R. F. NICOLAI, MINNEAPOLIS; JAMES L. KING, PHILADELPHIA; FRANK B. BELL, MILWAUKEE

the ages of 18 and 21 to the service of their country on a ship or on a training ground.

Peace is coming some time, but in the meantime why develop into a nation of soft mollicoddles? Read your history. The Babylonians and the Assyrians, and the Spaniards and the Moors and the Romans never fell when they were a fighting people, but it was only when they became smug and arrogant and complacent in their success. Peace is coming some day, but until it comes we should be ready. I agree with the old Quaker who was delivering a pint of milk. He had some dispute with the customer and the customer slapped him, and then the old Quaker turned the other side of his face, and the customer slapped him again. And the old Quaker said, "I have abided by the tenets of my faith. I have turned the other cheek. I will now proceed to kick the hell out of thee."

Let us turn our other cheek, but have your right hand ready. Peace is coming not through the political squabbles we are having, not through the hatred preached by Borah and Reed, not through William Randolph Hearst, and not through men of my type; peace is coming through these great national conventions, for they are doing more toward peace than any movement we ever knew, because they are prompting an understanding of all men.

You men of the Far West and those of the East are not as effete as you thought, and you of the East find the men of the West do not chew tobacco before breakfast, and do some of these other terrible things you thought they did, and thus it is that prejudice is done away with. Peace is coming as the result of education and religion and toleration. When I say religion, I mean fewer drives, and I mean a drive every Sunday morning up the middle aisle, a little less of golf clubs and of the motor car. Go back to church. You won't always hear a good sermon, but you will see a d-d good guy up there trying to preach one.

The trouble is now that social obligations demand that you get into paths that your grandfather never knew. Take a few of the old paths your grandfather knew. Go back Sunday morning and give up the links. If God Almighty has blessed you with strong mentality and strong mind and hand, go back. But in going back, let your neighbor go to his church, and don't you be worried about his religion. You see my pal Ernie is a 32nd degree Mason, and I am a Roman

Catholic, which only goes to show that it can be done. And we have never forgotten that He who died for us was a Jew, Jesus of Nazareth, and the sooner we get back to that Jew's teaching, the sooner will come peace. The Jew who did not condemn those who had fallen into rough paths of life, because he lifted Mary Magdalene and said, "Go and sin no more," and then He turned to the Pharisees and said, "Let him who is without sin cast the first stone." We must get back to His teaching and to the manner of His death. And it was the manner of His life and the words He spoke. Go on back. Away with Jew baiting. You show me a town that has no Jews, and I will show you a bum town. I have found more warmth and hospitality in the shadows of the Forties from the Jews of New York than anywhere else on earth.

Only recently in the Friars' Club we had an Irish policeman, Dennis Maloney, who was hurt. And Rube Bernstein went and collected from the other Hebrews \$3,000, and he said, "Take that to 393 Amsterdam and say nothing about it." That was one of the best things I have seen. Some of you will remember Bob Cannefax, who for some time was the three-cushion billiard champion. Many of us are improvident; Bob was improvident, and he was stricken with tuberculosis, and the Jews with whom he was associated are sending him \$600 a month for the next five years to Phoenix, Ariz. And then we have Jew baiting. My God, my good friends, haven't you been to Valley Forge? Didn't you see the name of Washington, a 33rd degree Mason, and see the name of Lord Stirling, an English Jew, and the name of Count Rachambeau, an atheist, and of General Lee, a Southern Presbyterian, and of John Sullivan, from the north of Ireland, a Roman Catholic; and the name of Father Muhlenberg, a German Lutheran, who said, "There is a time to preach the word of God, and, by the gods, there is a time to fight," and that German Lutheran minister became the chief of staff under Washington. And there they were, Mason and Jew and Catholic. And they got along pretty well. At Valley Forge it wasn't a strategic victory, but it lighted a beacon lamp that brought you and me to this great land. Let us do away with racial prejudice. If you are a German, be proud of it. The best men that ever came to America were German. Sing the German songs, but don't dare defend the Germany of 1918, the Germany from which your father fled. And you Irish, if you want to lay down your lives for Ireland, get the hell back to Ireland.

Then will come peace for us as neighbors, as individuals, as a people, as a country. And if you want real peace, you must not take life too seriously. I have just a few minutes more. What in hell do you think I would be serious about? Don't be alarmed now. I am not going to play a gallery stunt and shake the American flag, but that is a serious thing. When you see a parade coming down the street, don't be hurt because they make you pull to the curb, but pull your limousine over to the curb, and give the old flag a salute, and if you don't know how to salute, take off your hat. And if you see some foreigner that fails to do it, soak him right on the button, and when he comes to, tell him what it is all about, and explain the thing to him.

And after the flag, comes the church. When I say church, it makes no difference whether it is Greek, a Catholic mass, or a Jew synagogue. What in hell is the difference whether we take the New York Central or the Lackawanna? We will all get there. I know I am on the right road, and I will fix it up for the rest of you guys.

And after the church comes your family. And when I say family, I don't mean relatives. To hell with relatives! Think it over. Be on the level with the family and the church and the flag. There is nothing more to be serious about. The money you have made you can't take it with you, and if you are broke that is not so bad.

And I want to apologize to you ladies for some of the words I have used. Whenever I use the words "hell" and "damn" for emphasis, I just want to say the first time I saw them was in the Bible, so I have pretty good authority for them. So don't be annoyed at me, and the next time you are sewing at home, and the needle slips through and you prick your finger, don't lose your temper. Just say, "Damn it to hell," and you will feel much better. I know you have all forgiven me and pardon me for being so long winded, but whenever I come to a national organization, I am so grateful for what you are doing for me, that I want to do something, and I hope I have succeeded tonight in taking you away from the cares of business. I don't say that Ernie and I have the right idea, but I dare any two guys to prove we are wrong. I know we are wrong, and if every one were like Ernie and me, there would be no progress. There is a happy medium between the careful life of a business man and the life that Ernie and I have led. He and I are dollar-a-year men; that is, we have saved a dollar every year. And Ernie is 73, whereas I am only a boy of 55, I will be 56 on the 15th of December. The lady down there says, "I don't believe it." I thank you for the compliment. I haven't kept young. You have, lady. But it is all right to grow old. I never wear a straw hat. I do not think Henry Ford is a great man. And I do not read the *Saturday Evening Post*. When Almighty God intended me as

Patrick Irving O'Hay, He made me what He intended I should be. If He intended us to copy our neighbors and be like them, he should have branded us like they brand cattle, and he would never have given us minds. I agree that the modern flapper is no reason for our condemnation. Don't worry about them because of short hair and short skirts. It is those boys with the big pants and the red ties and the saxophones, those are the fellows you want to watch out for. Don't be worried about the young girls. The flapper is very much alive, and she will take her place in the world when she sheds all of these baby things. And after the old game of life is over and the old wheel will have stopped, it doesn't really matter whether you played success or failure, if you have played on the square, like Erne, the Mason, and O'Hay, the Catholic. Everything will be just about even, and the night you arrive at the River Jordan, the pass word to you will be, "Grain Dealers and Buffalo," and Erne and I will be there with a boat and we will row you over.

WEDNESDAY SESSION

THE convention was called to order by President Horner at 10:00 o'clock, a. m.

The President: The Grain Dealers National Association has always had as one of its fundamental principles, arbitration, and if we were not the first national organization to enforce compulsory arbitra-



FRED MAYER AND J. A. STREICHER, TOLEDO, OHIO

tion, we at least were in the very vanguard of that movement. We have pioneered in many directions. We were one of the first to publish a complete digest of our decisions, and one of the first to have our decisions affirmed by the Supreme Court. We can, therefore, this morning welcome with particular sympathy a representative of the American Arbitration Association, Ex-Governor Carl E. Milliken, of Maine.

ADDRESS OF EX-GOVERNOR CARL E. MILLIKEN

MR. PRESIDENT and Gentlemen: We have up in Farmington, Me., as some of you may know if you have visited our city, or have come from there—or we did have—he died a few years ago—a very well known hotel keeper, James Withey. He kept his hotel as a vocation to make his living with, but his real vocation was that of horse trader. Once he sold a horse to a new buyer from Boston who was making his first trip. After the horse had been led away, the buyer found many defects in it that were not supposed to occur, and that it lacked many qualities that the horse was supposed to have. The next time around he remonstrated with Jim. He said, "Jim, didn't you know this, that and the other about that horse?" Jim says, "Yes, to tell the truth I did, but you know that fellow that sold him to me didn't tell those things to me, and I thought they were a secret."

We might almost tell secrets safely this morning, without having them get around too much. I haven't come here to tell you the secrets of your business; I am here first of all for the American Arbitration Association, because I am interested in the principle of settling disputes, and also because I happen to be related now to the motion picture business, the Hays organization in New York, and that represents one of the recent developments of this practice. So from the point of view of the new convert, who is always zealous, I want to bring to you a word, you as the pioneers perhaps in this country of this principle which is of so great importance, in view of the fact that so many of the state legislatures meet this coming year, and in view of the fact that our national organization, through its affiliations in the various states, will be in a position to be helpful when legislation along the lines of arbitration is considered.

I have been trying to set up a yard stick for the business of this country. What does arbitration save in money alone? For several weeks we have had the Department of Commerce trying to answer this question: What is the amount of domestic business in this country every year? I can tell you as far as the moving picture industry is concerned, how many con-

tracts we had. What I wanted to do was to estimate the saving in our industry, then use that as a yard stick thrown against the total business of the United States, to see if we could arrive at a figure. The only figures we were able to get from Washington was this morning, that the retail business in 1923 was \$38,173,000,000, the retail business. It is evident that does not include the whole story. I made my guess that the total turnover, or total amount of business must be over \$100,000,000,000. This morning I am in receipt of a telegram from the Department of Commerce, saying they have compiled figures for 1923. The total domestic business in this country for 1923 was \$134,170,000,000. And it is a pretty safe gamble that it is up to somewhere around \$150,000,000,000 now.

The business man of today who goes to law against his customer or his associates when he can possibly keep from doing so is guilty of little less than economic suicide. A great chief justice once said that he regarded any man a lunatic, or worse, who resorted to the courts when he could avoid it. He was right!

There is a so much simpler, saner, and more becoming system by which trade differences may be economically, speedily, amicably, and finally adjudicated. I refer, of course, to arbitration.

The time is coming when the business man who rushes into the court to settle a difference of opinion with his trade contracts, will be regarded in much the same light as we regard our more savage brothers of the remote Pacific Islands who settle their disputes by approaching each other with angry gestures, uttering ugly, snarling sounds until one has become exhausted or has appeased his anger. There won't be any place in business for him.

And the rapid growth of arbitration, its increasing success and its spreading recognition as a trade practice and legal method of settling differences of business men without resorting to litigation, are fair indications that his day has not long to run. Arbitration as a universal trade practice is almost at hand! Reduced to practical terms, here is the simple truth: When you sue your customer, you may win your case—but you lose your customer. When you arbitrate both sides are satisfied.

Business men aren't engaged in dealing with enemies. When a contract is signed it is usually between friends. Later on there may be a disagreement. The shipment may be delayed, or the goods don't hold up to the samples, or the buyer finds he has over-ordered and therefore desires to cancel a part of the order. Finally one or the other parties to the contract says, "I'll have the law on you." And into the courts he goes.

And what happens? Ten to one he loses a customer. Legal costs begin. Because the courts are already crowded, there may be months, even years of delay. If those two men could have sat down together—or would have sat down together—and gone over the facts, which in 75 per cent of such cases are alone involved, the law being incidental, three essentials to trade success would have been saved—a friend; money; and time.

I am satisfied that the Department of Commerce is right in saying that next to war, litigation is the largest single item of preventable waste in civilization today and I agree when the Department adds:

"The aggregate economic loss to the nation through the necessity of referring to courts the trial of disputes arising in the course of trading would stagger imagination if it could be accurately computed both as to actual cost and to indirect drain upon national resources. Wars are mostly sporadic and localized, while litigation is continuous and universal. As a remedy to this condition, arbitration stands as supreme."

It is with no little pleasure that I recall that I am speaking today to a group of business men who long ago found out the truth of what I have said. From the beginning of your co-operative endeavor, the Grain Dealers National Association and member organizations have arbitrated trade disputes. From your beginning in 1901, 25 years ago, you wrote in your by-laws a compulsory commercial arbitration clause. Twelve-hundred and nineteen times since then you had occasion to render decisions.

In other words, from the inception of your association you have put into practice the spirit which impelled you to come together—namely, the advancement of your common interests and the promotion of your friendly relations.

As an Association, I congratulate you for your pioneering spirit. The debt which American business owes to you is great. Much of the success which is now accruing to arbitration in this country, is, I have no hesitancy in saying, due to just such pioneers as yourselves. The 25 years of experience which you have had are the 25 years of experience which we may all adopt for our own. Just as the published thoughts of a great mind become instantly the natural heritage of all who will read them—just as the ideas we may gain in an hour may be the results of hundreds of years of searching by those who have gone before—so do your experiences become our property, your past, our past. We take these, offering only our gratitude in return.

I want to commend you particularly in this connec-

tion for the publication of your collection of awards and decisions. Such a collection was needed. It will be and is of imperative necessity in establishment of rules of arbitration. Already it has been used much in courts—and elsewhere.

I would commend you also for your affiliation with the American Arbitration Association, which is doing much to promote arbitration as an international measure of commercial peace and which is seeking to foster recognition throughout the business world of this method of voluntary settling of trade controversies on the basis of good faith.

Through affiliation with the American Arbitration Association duplication of expense and effort is prevented. Two-hundred or more national trade associations and local chambers of commerce and boards of trade gain by the experience of others and through consolidation of effort, help all others. The business of educating the members of the trade is an important one which the Association can and is doing splendidly. Without this education, trade machinery is idle while the courts are busy. And not the least important of all is that business men, lawyers, judges, and educators, in fact all sections of economic life, are brought together to perform a common task.

It is not my intention, however, to take up your time explaining the value of arbitration or eulogizing the work of your organization or that of the American Arbitration Association. You know what you have done. You know what the Association has done. Rather I shall tell you what the moving picture industry has done in arbitration that it should have been called "pre-eminently the outstanding example to use of the arbitration system in handling trade disputes."

First let me tell you what conditions exist in the moving picture industry which make arbitration essential. There are 20,233 moving picture theatres to be served with pictures. The average theatre rents 175 features pictures and 350 short subjects—news reels, and comedies—each year. This means that there are in a year approximately 10,500,000 separate pictures shown. As each picture is based upon a contract for rental, you can readily understand the probabilities of differences.

When Mr. Hays became president of the Motion Picture Producers and Distributors of America, he found a tremendous amount of friction between the distributors of pictures, who correspond with the wholesaler in other industries, and the theatre owners, who are the retailers. Much of this friction found its way into the courts, although frequently the amounts involved were ridiculously small. All the



R. B. WOOD, COOPERSTOWN, N. Y., AND O. P. HALL, GREENVILLE, OHIO

courts in the country were being cluttered up by these cases. The youth of the industry might have had something to do with the disputes but on the whole they were due to the same causes which bring disputes in any other industry—delayed shipments, over orders, and so on. Arbitration which had been worked out successfully in other businesses offered a way out. We took it.

About three years ago, arbitration tribunals were organized in the 32 principal distributing centers. Each tribunal is composed of three exhibitors of moving pictures and three distributors. In every contract for a film there is a clause binding each party to submit any dispute to the nearest tribunal. In the last two years 23,000 disputes have arisen in the moving picture industry. The disputes disposed of in that time involved slightly more than \$4,650,000. Of these, 13,000 were settled by consent before the arbitration boards had to render decisions—amicably, easily, and speedily settled by prompt action satisfying both parties.

In exact figures 10,325 decisions were rendered in two years—1924 and 1925. Of the 23,000 cases only 21 were appealed and only in 37 cases was a seventh

arbitrator needed. These facts, gentlemen, speak for themselves.

The significant thing about the successful use of arbitration on such an extensive scale, is that six men, all of whom are conversant with the ins and outs of the business can easily decide on questions of facts and render just decision.

It might be expected that a theatre owner would be prejudiced in favor of other theatre owners, but this has not been our experience. Often there is complete agreement and if there is not we find often two of the exhibitors upholding the distributor, and vice versa. Partisanship is rare. The arbitrators are business men. They are busy men. They judge and judge fairly on the facts. And they are far better able to judge of those facts than judges and juries who do not know the industry and its operation.

By going into phases of the case which a court would be bound to throw out, the arbitrators hear evidence which has real value. They may find out, thus, that an exhibitor failed to live up to his contract because he overbought, or because he succumbed to a high-powered salesman or because he was too optimistic, or because he had agreed on a rental charge he could not afford. In many cases distributors, without waiting for final arbitration, call for the records to verify such statements and in many cases rentals are adjusted or plays reallocated regardless of the contract's specifications. Both parties see the advisability of these steps and as a result much good will be maintained. A court could not possibly do these same things.

If all the disputes which have arisen in the industry—a large number of which involve very small sums—had been tried in court, it is not at all unlikely

to arbitration before either party to the dispute resorts to a court of law. The investigation established that substantial justice and equity are done under this system and leaves no questions as to the legality of this method of adjudication."

From earliest times we find arbitration in some form or other in use. Arbitration was recognized by the Roman law. During the Middle Ages various guilds and market towns maintained informal arbitration courts where cases could be almost instantly tried by men familiar with each branch of business.

The laws of most other countries and many of our states have for many years recognized the legality and desirability of arbitrating trade disputes. Arbitration has been widely used in foreign countries because their laws had "teeth." Ours on the other hand, until lately, have been toothless. Men could agree to arbitrate and then do as they pleased. As a result arbitration was little used.

Today only four states, New York, New Jersey, Massachusetts and Oregon, have laws which will make the courts enforce an agreement to arbitrate and which will deny relief in the courts after arbitration has been had. Only in these states is a decision practically final as it can be overturned only if the technical statutory procedure has not been followed or if fraud or partiality of the arbitration can be proved. In other states, the right of appeal on all kinds of grounds has made arbitration an obsolete practice except where it is resorted to and enforced by trade bodies.

The United States Arbitration Act, while it covers interstate transactions, has certain limitations as to kinds of disputes and it does not apply to controversies involving less than \$3,000.

The American Arbitration Association has prepared

prepared for publication and distribution.

A case book for all trades which will not be unlike your own admirable record is also being planned. Studies are all being carried on through scholarships in the universities for purposes of uniform legislation, for publications which will benefit business men, and for experiments which will save money. The co-operation of all who see in the work an opportunity to foster commercial peace and economic co-operation in American trade and thus advance American prestige and prosperity, is welcomed. Approximately \$25,000 is being spent on work this year in order to get our arbitral machinery and laws in order throughout the country.

In view of what has gone before let us now attempt to estimate what arbitration, if practiced generally by industries in this country, would mean in actual saving in dollars and cents. Of course, no one will ever be able to estimate what the value is in good will, in friendship, in time, in court costs, or in lawyer's fees, but there are some general figures on which an estimate may be based, to show the enormous saving which could be directed to other channels for advancement and progress.

For instance in the moving picture business there are each year approximately 500,000 contracts, calling for exhibition of 10,500,000 separate pictures. The net saving on these contracts through arbitration has been estimated at 1½ per cent of the total business. The net saving on resurrected contracts as a result is estimated at 3 per cent. The total net saving therefore is 4½ per cent leaving out court costs, lawyers' fees, etc. Four and one-fourth per cent, mind you!

Now what does this mean to business as a whole? The Department of Commerce tells us that in 1923, the latest year on which accurate figures are available, the retail business in this country reached a total of \$38,173,000,000. Allowing for the increases, wholesale business, production and other turnovers, the total business figures for a year must greatly exceed \$100,000,000,000. If all business therefore, resorted to arbitration in settling disputes which are bound to arise wherever there are contracts and wherever business is followed, can not readily grasp what the saving would be?

For our industry 4½ per cent of the total is the saving by arbitration. Then go back to the \$150,000,000,000, and take Mr. Coolidge's statement that next to war litigation is the greatest waste in our life. You may remember that Senator Warren, I think it was, said that if he could be allowed to run the business of the United States on business principles, without regard to political considerations, he could save \$350,000,000 a year. If the saving to the country at large would be as great as we have found it to be in the moving picture industry, the saving in a year would be 4½ per cent of about \$150,000,000. And that is the possible saving in dollars and cents alone, to say nothing of the elements of good will and delay and escape from friction and loss of customers and all that sort of thing.

I am here to say this morning that the motion picture industry, as a recent convert to this sound principle of arbitration, pays tribute to you, the pioneers, so far as I know, in this country in the establishment of this system in a trade or industry, and we join with you in the hope that in the interest of American business and prevention of waste and cultivation of good will, these facts will be brought increasingly to the attention of business men all over the country, and by legislation and trade practice and by various methods that suggest themselves to the business men in the various sections of the country, this system will become the universal method of handling trade disputes. I thank you for your attention.

The President: We have with us also Mr. Penfield, of the National Arbitration Association, and we would be glad to have some remarks from him.

Mr. Penfield: I want to take a few moments to have you visualize what the American Arbitration Association is. It is an organization without aspirations for profit. Our sole object is to promote a knowledge of and use of arbitration. Our physical set-up consists of members and Board of Directors, affiliated organizations and trade chairmen. In our list of affiliated organizations we take pleasure in the knowledge that you are one of our associates. What we hope to maintain in our affiliated organizations is to give our work an interchange; in other words, we are doing certain research work which we want to spread out to the country. Our affiliated organizations are the avenue of such distribution. On the other hand, it works, as in your case, for instance, to our benefit more than to yours, for the reason that you are pioneers in arbitration and the information you have given us and the experience you have developed have been of great value to us, and we are spreading that.

There are three objectives which we have in spreading arbitration. We now have the arbitration law in only four states, as Governor Milliken has said, Massachusetts, New York, New Jersey and Oregon. In addition, we have the Federal law, which is applicable only in cases over \$3,000.

You gentlemen know, from actual experience, that when you have an arbitration case that covers an interstate situation, you have difficulty, because you do not have uniform legislation. If you have an award in New York, and one of the parties is in Ohio, the



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that the expense would have been greater than the sums involved.

And how in addition would you estimate the good will preserved? In the moving picture business, as in many others, the time saved is as important as the money. Motion pictures are perishable in the sense that a picture is, more valuable immediately after its release than it is a few months later. If an exhibitor has contracted for a film on a certain date and for any reason he has to wait for it until due process of law has dragged through months, he may be a heavy loser. The law's delays have caused losses greater than the sums at stake to both buyer and seller, from just such causes. This is not the court's fault, for the courts are swamped, but the truth of that fact does not assuage the bitterness of the loss. The delay of courts has been a by-word for years and delayed justice hampers commerce.

Not long ago the United States Department of Justice in reviewing the work of the motion picture Boards of Arbitration system said:

"That this plan, as conceived and executed, provides a just, fair, and economical method of dealing with disputes is evidenced by the fact that during the past two years 10,325 awards have been made by these boards and that of these only 37 have required a seventh arbitrator to reach a decision."

In commenting on this, Anson W. Burchard, chairman of the International General Electric Company, and a director of the American Arbitration Association said:

"The Department's findings are particularly gratifying to the American Arbitration Association because the arbitral procedure used by the Film Boards of Trade is based upon sound principles, every contract between a distributor and an exhibitor of motion pictures containing a clause which provides that any dispute arising out of the contract shall be referred

a uniform state bill to bring about equality in the states and the benefits to business men which come from uniform laws. If there is no legal agreement to arbitrate disputes arising under a contract, the great economic values of arbitration are lost.

What are these values? You and I know that the presence of such a clause in a contract in itself prevents most disputes from reaching an acute stage. Being an insurance against strife and litigation, it creates an atmosphere of friendliness and a ground for getting together. This economic saving is incalculable.

In the second place, when a dispute becomes acute we know from our own figures that more than 50 per cent of the cases are settled amicably without arbitration. When the parties begin to file submissions and arrange hearings, they come into friendly instead of antagonistic relationships and these cases never reach the stage of formal arbitration. In the less than 50 per cent where arbitrations are held, the American Arbitration Association has proved that \$20 is the average cost, the arbitration takes on the average but one hearing and the parties save money, time and effort and, what is equally important, their friendships and contracts.

The American Arbitration Association has associated with it this year 14 universities, including Harvard, Yale, Cornell, and a number of state universities which have business or law schools. First of all a survey is being made of the states to find out just what is taking place in commercial peace. Texas is the first state to complete its survey and is ready for action. Out of these studies it is proposed to build up a business literature. A start has been made with an American Year Book in which the Grain Dealers' National Association, the moving picture business, and others will have conspicuous places. Then an International Year Book is being

machinery of New York, which is binding upon the arbitrator, is not applicable in Ohio. Therefore, one of our jobs is to work through the local organizations and our affiliated organizations on the subject of legislation. There are 36 legislatures meeting this year. We have published a uniform arbitration law for the approval of the various states, which we intend to disseminate, in the hope that there can be built up in the various states of the country uniform legislation.

In that respect I cannot emphasize too much the value of trade organizations which are affiliated with us, such as yours. We have a research job ahead of us. For instance, in trying a case that is highly technical, as, for instance, a case in the electrical industry, the arbitrators or the men who handle those cases have no precedents to refer to. They do not know what has been the history, unless we get an expert from that particular trade. You know what has been your history; but that kind of thing is being made available. We are conducting a research to get all that information together in a case book, which will be published and made available for American business. That fact and the legislation are our two big jobs. To bring that about we have, as I mentioned before, trade chairmen. In the moving picture industry that industry has elected a chairman to co-operate with us; in the clothing industry the same; and in the theatrical industry the same. In all lines of industry we are building up chairmen, that is, the man who can establish with us contact in his industry. That is a point on which I hope you gentlemen will assist us even more than you have in the past. I wanted to suggest to you that your industry appoint a trade chairman who can serve with the American Arbitration Society as a liaison officer, and that is the burden of my message.

The President: You have heard the suggestion of Mr. Penfield. Do you care to make any remarks or present any resolution with reference to it, or desire to take any action upon this at this time?

Mr. Sturtevant: It seems to me that with our history and record of arbitration, we should certainly do everything to keep in step with a new movement, and I move the chair appoint a chairman in line with Mr. Penfield's suggestion.

Mr. Eikenberry: I will second that.

Mr. Wayne: What would be the duty of that chairman?

Mr. Penfield: It would give us an official point of contact with you, which we have not at the present time. Suppose you were the chairman. I would meet you. I would clear through you our information and

man would have to contend with trying to put this matter through the legislatures.

Mr. Penfield: A group of lawyers started the arbitration movement. We have Mr. Taft and Mr. Hughes behind this theory. If you take a lawyer of a certain caliber, you will find him opposed to arbitration, but what we usually say in such a case is this, if you take arbitration and use it, it will increase the traffic through your office, and thereby decrease your overhead. In other words, you can handle more cases through arbitration than through litigation. In New York City, if I have a litigation with you, I go to the justice and say, "I want justice," and he says, "We are here to give you justice, but take your position in the line. There are 21,000 cases, and at the end of three years, step by step, you come before us, and we will give you justice."

When a lawyer realizes that in arbitration, or the use of it, he can get a decision in a week or a month,



SECRETARIES OF STATE ASSOCIATIONS
D. O. Milligan, Western, D. L. Boyer, Missouri, W. E. Culbertson,
Illinois, Charles B. Riley, Indiana

he realizes that more cases can be handled by him. So certain kinds of lawyers do react, but we have always been able to show them it accrues to their financial advantage, disregarding the ethical advantage.

Mr. Eikenberry: It is suggested that this appointment should have gone to the Board of Directors. As I understand Mr. Penfield, the trade chairman is only an officer to maintain a contact between the trade and the general association, and does not bind the Association to any financial obligation, neither to any matter of policy. You might in wanting some information relative to the particular trade request it through him, or you would send your communication to the grain trade through this particular officer, but it in no way binds the trade or the association representing the trade to any matter of policy; so I think the appointment by the president is quite in order.

Mr. Penfield: That is quite right. There is no financial obligation. There is no committing in advance to any question of policy of your organization. We do not go that far; we could not go that far. We could not get co-operation if we did. We would simply invite him to serve as trade chairman and to co-operate with us and be a liaison. The question of the policies of your organization does not come to us. We have no right to do that. We are pushing arbitration, and we need outlets, and need avenues for collecting information, and our trade chairmen serve that purpose only.

Mr. Green: It might be well to have the new president, who is to be elected today, make this appointment, rather than the present chairman.

The President: Will you accept that amendment?

Mr. Sturtevant: Yes.

Mr. Booth: Wouldn't it be well to have that chairman or officer actively in touch with the arbitration work of the Association, and it occurs to me that possibly the chairman of the Appeal Arbitration Board might be the logical man to be the liaison officer.

Mr. Sturtevant: It seems to me that is a very good idea, and that would be a very proper thing to do, and if agreeable to everybody here, I will amend my motion to the effect that the chairman of our Appeals Committee be the liaison office of the American Arbitration Association.

(Motion as amended carried.)

Mr. Miles: Mr. President and Gentlemen: I will take a very few moments to perform what I consider a very pleasing act. I have been a member of the Grain Dealers National Association ever since the day it began, and I have attended nearly all their meetings. We have had now for two terms a man occupying the office of president of the Association. We all know what a fine fellow he is, and how competent he has been, and how nicely everything has gone on in the Association as far as the president's office is concerned, and we want to tell him right now we appreciate that. We appreciate you, Mr. Horner, for your careful and your competent attention to all the matters, many of them weighty, that have come to the attention of the Grain Dealers National Association. The time is nearly over for this administration, and we want you to take with you some little remembrance from us. The members of this

Association, one and all—it was very easy to collect the money for this—want now to present to you something that you can take back home with you.

(Presents President Horner with a silver tea service.)

In the days that are to come, and we know you are going to be an old man, when you go around attending the various tea parties conducted by your wife, you can look at that tea set and say, "The stuff in there is the kind they had at Buffalo." We want you to believe that we are your friends and to ask you to hold your interest in this association, and we know that you will do everything that you could do in that way. I will tell you again that we thank you thoroughly for all you have done for the Association (Applause).

The President: Mr. Miles and fellow members of this Association: To me this is a wonderfully impressive moment, and I only wish that I had words and could describe the depths of my feelings. I will always look upon this beautiful present and always prize it, as a token of what I regard, more than anything else, and that is the esteem of my fellow members in the grain trade. I have been in the grain business all my life, and in late years my connection with Association work has given me an opportunity of extending my friendships among the members and of forming such an opinion of the men of the grain business, and of the ability and integrity of our members, as to make me particularly proud of the recognition that you have given me. When I look at this further evidence, I am overwhelmed with gratitude. I will always keep it as an emblem of the friendships I have made, and the friendships that I hope I may always retain. If I have any regret at all at this time, it would be that I could not have done something to dispel some of the clouds of prejudice and misunderstanding that have so long surrounded the grain business, something to force a recognition of the merits of the business, something that would have assisted the members to secure a proper recompense for their services. There has never been any such question of morality involved as in the case of the liquor business, or any such question of natural monopoly as is the case with public utilities and railroads, and I know there has never been a group of business men in the United States that suffers more from the blighting hand of public interference than has the grain trade; but in spite of it all you have gone on, still achieving and still pursuing, and for one, I am proud of the record.

I want to take this opportunity of again thanking every member of this Association and all the officers who during the past two years have so willingly and ably co-operated with me, and I especially at this time wish to commend the loyalty and the efficiency of Secretary Quinn, who has so long been in charge of



L. H. CONNELL, DENVER
One of the prize winners in the Booster Contest

ask you for information from your organization, so that you might be kept in touch with what we are promoting, and so that we might be kept in touch with what your organization is promoting. It would be a personal point of contact. You would have a position in the Arbitration Association as a trade chairman. You would become a part of the fabric. Such appointment involves no financial responsibility.

Mr. Wayne: I thought perhaps they would have to take charge of the legislative matters in the several states. All state associations, of course, come in direct contact with the state legislature and state legislators throughout the country. These legislators are 60 per cent lawyers, and you are up against a proposition when you try to get a bill through the legislature. The lawyers are opposed to arbitration methods. I have talked with many lawyers about it, and they do not like it. I wondered if this chair-



J. B. STOUGHTON, MINNEAPOLIS
Another Booster Prize Winner

the real work of this Association. Again, gentlemen, I thank you (Applause).

Mr. MacDonald: I want to inject just a word into the record. The Buffalo Corn Exchange tendered us a wonderful banquet last night. It was a hand-painted affair. I think we all remember the message of Captain O'Hay. But what I had particularly in mind was the feeling of pride which I—and I know I speak for the other members of the Association—felt for you as our presiding officer. I have always had the theory that the main requisite of a good speech is brevity; it cannot be overemphasized, but I felt that any one who can preside and who can talk with the grace that you displayed, sins on the wrong side, and I was awfully sorry you did not give us a little more of yourself last night (Applause).

The President: It is scarcely in keeping with the

duties of the chair to criticize a member on the floor, but I would ask Mr. MacDonald not to again attempt to violate the modesty of the chairman (Laughter).

The New York Stock Exchange has quite recently instituted trading in wheat futures under a contract which in many ways is both unique and distinctive, and we have asked this morning that the chairman of their Grain Futures Committee meet with us and explain that contract to us in detail. I have the pleasure of introducing Mr. A. Hansen, of New York, chairman.

ADDRESS OF A. HANSEN

THE annual convention of the National Grain Dealers Association is a very important event. It is the one and only occasion upon which the leading grain dealers from all parts of the country assemble to discuss matters of mutual interest. It is therefore the only opportunity available to bring a message before the trade in person; so it is indeed an honor and a privilege to be permitted to appear before you on this occasion, and on behalf of the Committee on Grain Futures of the New York Produce Exchange, I wish to express my sincere appreciation. I want particularly to thank Mr. Quinn, the able secretary of the National Grain Dealers Association, as well as Mr. Heinold, the president of the Buffalo Corn Exchange, who jointly have been responsible for extending this courtesy.

The subject under discussion today is "Buffalo's Market Advantages in Connection with the Resumption of Futures Trading in New York." The subject is of vital interest to every grain, flour and feed merchant, as well as to every miller and elevator man who uses futures markets for hedging and other purposes. As time is limited, I shall largely confine myself to a discussion of the hedging features in connection with this new market.

The word "resumption" may suggest to some of you that the old futures market which was in operation in New York many years ago, has been revived and reopened. This is not the case. Our new market has been established on different principles. Let me explain: For hedging purposes, futures markets serve in two ways. They furnish the facilities for local or direct hedging, and they serve for general or indirect hedging. By local or direct hedging, I mean hedging of all grain that is directly tributary to or stored in the hedging market. By general or indirect hedging, I mean hedging of grain that is located in other parts of the country, and which is not necessarily shipped to the market where it is hedged.

All the western futures markets were, to start with, local hedging markets. They took care of the grain that arrived from the territories tributary to them, the daily receipts were hedged in these markets, and the local millers and shippers used them in connection with their daily purchases and sales, but as the grain and milling business developed, they took on a more national and, in some cases, international aspect. Grain dealers in all parts of the country would use them for their hedging operations, even though the grain hedged was located in parts very distant from the hedging market, possibly even outside of the United States. The old market, which was in operation in New York up to the beginning of this century, was chiefly a local market, based on the supply of grain which could be drawn from the surrounding grain producing states tributary to New York like New Jersey, Pennsylvania, Ohio, etc. As wheat grown in the Eastern States has been steadily on the decline, there is today little justification for a local futures market in New York, and the committee who had charge of the organization of our new market realized fully that such a market would have no real *raison d'être*. A far greater object was in our mind. Our visions were of a market that would be a real worth while hedging market for the entire eastern consumption districts, for the entire exports trade of the continent, as well as for the export and import trade of foreign lands, a market that would be useful to the miller, the shipper, the exporter and the foreign dealers alike.

With this lofty aim in mind, we set out to build a market that would have a sound theoretical and economic basis for our ambitions. We soon convinced ourselves that the point of delivery for our market was the all important thing to decide. The delivery place would have to be so located that any required amount of grain could be made available for delivery purposes, otherwise the market would lack the necessary breadth and scope that insures safety in trading. A market that could at all be influenced by local conditions or happenings would not do. On the other hand, the point of delivery would also have to be so located that it would be possible for the buyer who might desire to take delivery of grain on our contracts, to ship the wheat to any eastern point, domestic or foreign, without being handicapped by unfavorable freight rates. We soon discovered that there was one and only one place that could in every way meet our requirements, and that was Buffalo.

At this point let me say, that we all know that grain and elevator trade of Buffalo have many excellent qualities. We all know there are no better men to trade with, a more enterprising lot can be

found nowhere; as hosts they are unsurpassed. From personal experience I may mention another high quality of theirs, and that is their spirit of co-operation, which is responsible for the formation of the Buffalo-New York futures market. If our new market were nothing else, it would be a tribute to the spirit of good will and co-operation. It is the first market in the country to separate by several hundred miles the place of trading from the place of delivery, a new, yet a very logical idea.

The importance of Buffalo as a grain center is probably not fully realized by a good many. Buffalo is the gateway of the entire east, which means the most thickly populated and therefore the greatest consumption market of the country, as well as the gateway for the entire export business from Atlantic ports and for a very large portion of the export trade through Montreal. During the 1925 season, a total of 177,000,000 bushels of wheat passed through the gateway of Buffalo. The total receipts of all grains amounted to the enormous total of 270,000,000 bushels during the season of 1925. And where did all this wheat come from? It came from all the important primary points of the west like Chicago, Milwaukee, Duluth, Fort William and Port Arthur, and the receipts included Hard Winter wheat, Soft Winter wheat, Spring wheat, Durum wheat, and Manitoba wheat of all grades.

As a receiving and distribution point, Buffalo has no equal. Its geographical location is indeed unique. It has the enviable position of being in the direct pathway of the natural flow of grains from practically the entire western wheat belt, and is thus a natural intermediate terminal for all the wheat that is shipped east from the great primary western markets. No wonder that Buffalo is today a leading milling center. Its daily milling capacity is today over 50,-



AXEL HANSEN

000 barrels, and will soon be over 60,000—its capacity being increased yearly.

Considering the importance of Buffalo as a milling point and as a grain receiving center, as illustrated by the figures I have just mentioned, you will no doubt all agree that the New York-Buffalo futures market, if for no other reason, would be entirely justified, if not an actual necessity, for the purpose of furnishing local hedging facilities. If we take a glance at the old established futures markets of the West, we find that they are all identical with the large grain and milling centers. This is, of course, entirely as it should be, because it is the large stock of grain that furnishes the basis for all futures markets. The hedging market is today an integral part of the grain business of any important market. It gives impetus to large transactions in cash grain because it furnishes the insurance against fluctuations which all grain dealers require in order to do business on the largest possible scale. And so with the advent of our new contract market, Buffalo may confidently expect to become an even greater cash and distribution center than it has ever been before. The eastern millers, the eastern distributors and the exporters of New York (where over 90 per cent of the export business is done), have in the past been extremely adverse to accumulating a supply of grain at Buffalo for want of a proper hedge. The shipper in the West has time and again hesitated to ship a consignment to the east for the same reason. The lack of a hedging market was particularly keenly felt at the close of navigation. Those of us who at times took a chance on shipping large quantities of wheat to Buffalo with the view of disposing of it during the winter months, were often severely affected, because our hedges in the western markets proved very unsatisfactory to say the least. And this can easily be explained. Large shipments of wheat from the western markets would mean the lifting of a great load in those markets,

and consequently cause such markets to show a strengthening tendency, whereas on the other hand, the arrival of large quantities at Buffalo would have the exact opposite effect in the eastern market. The owner of cash wheat in the east would then see the value of his cash grain go down, while his short hedges in the west would not follow, altogether a most unsatisfactory situation. However, this has now changed, a basely felt need has been filled, and Buffalo can look forward with confidence to increased activity.

But as I stated before, we who have been closely identified with the organization of our new market, had even greater things in mind. As a general hedging market, we contend that our market possesses the best possible qualifications and offers the most attractive facilities of any market anywhere. The chief reason for this contention is again the geographical location of Buffalo. Situated as it is in the natural flow of wheat from practically all the producing districts of this country and Canada, there is no market anywhere that is more susceptible to all influences and occurrences, wherever they may happen. A good crop in the Hard Winter wheat belt will affect the New York-Buffalo market in the same degree as a good crop in the Spring wheat district for the reason that both places are directly tributary to Buffalo. Like water which cannot rise above its level, so the prices of our market cannot rise above the level of the cheapest grade of contract wheat obtainable from any of its western tributary markets, and this is what makes our market of such great value as a hedging market to any owner of cash wheat east of the Rocky Mountains. I know from personal experience that the grain dealers are time and again confronted with the problem of deciding where to place their hedges against cash grain. Local conditions may militate against one market; other circumstances may make other markets of doubtful hedging value. There is always a question as to which one of the western markets is the most desirable hedge, but when using the Buffalo-New York contract market, the dealer is always assured that he is hedging his wheat in a market that reflects the most desirable western market.

As this country usually produces more wheat than is used for domestic consumption, prices in a general way are determined by the value of our export surplus in the world's market. Our domestic millers will pay just enough for their wheat requirements to compete with exporters. As the New York market is the only seaboard contract market, and the predominating export and flour market of the country, it is only logical that all the outside influences which make for the determination of the world value of wheat, should be felt most keenly in our market. The leading position of New York today as the world's financial center, as an exchange center, as a freight market, and as a world's trading center for most of the stable commodities, makes New York ideally located as the trading place for our new market.

Buffalo as the delivery place for our futures market is, by the way, entirely in keeping with the prevailing custom and basis for trading in cash grain in New York. For every 1,000 bushels of wheat sold basis track New York, there are 100,000 bushels of wheat sold basis of C.I.F. Buffalo in the New York cash market, so Buffalo has, in practice, been the delivery basis for the New York grain trade for a number of years.

For the protection of the buyers of our futures, the grades deliverable on our market are the very highest. No. 1 and No. 2 Hard Winter, Soft Winter and Northern Spring wheat are deliverable, but we permit no Yellow Hard Winter wheat, nor any No. 3 Northern Spring wheat. The No. 2 grade is the lowest grade deliverable. We felt that the buyer who might wish to take delivery of wheat on our contract is entitled to receive a quality that he can readily sell without sacrifice. We pride ourselves on having the most efficient and up-to-date inspection department, and we will permit no quality of wheat to be delivered that cannot stand the acid test of the Federal supervisor. The tenderable grain is stored "identity preserved," and the buyer who takes delivery of wheat on our contracts is assured of getting a grade that is fully up to the required standards. He is assured of this through our rules and regulations, but more than that, he is assured of this by the integrity of the Buffalo-New York men who have organized this market, who are sponsoring this market, and who have built this market on the very principle of justice and fair play to all.

I cannot conclude without mentioning one more feature of our market, and that is trading in bonded grain. We have two styles of trading: one for domestic and one for bonded grain, both with Buffalo delivery. This makes our market the first one to adopt bonded grain as a trading basis. Considering the fact that the receipts of bonded wheat at Buffalo run into hundreds of millions of bushels, and knowing as we all do that Canadian wheat is of paramount importance in the world's market today, it is readily seen that our ambitions for creating an international hedging market could not rest on a solid foundation without facilities for trading in Canadian wheat. At this point I might mention that inasmuch as a goodly amount of the receipts of Canadian

wheat is ground into flour in bond by Buffalo mills, a hedging market for such wheat is of the greatest importance to the milling trade.

To summarize, let me say that our new market has been brought into existence on the theory that inasmuch as it is the export and milling value that in the final analysis determines the price of wheat, the most useful hedging market

1. Should be located as closely as possible to the export and consumption fields, rather than to the producing fields;
2. It should be in the path of the natural movement of grain from producing to consumption districts and preferably where distribution begins;
3. It should be within easy reach of the leading western cash markets.

In the firm belief that this theory is sound, that the basis for our market is sound, we are looking forward with confidence to an ever increasing patronage of our new enterprise, to a continued growth of Buffalo as a cash center, and of New York as a trading center.

We know the grain trade of Buffalo have many fine qualities. They are enterprising; as hosts they have no equals. I may mention another high characteristic, and that is a spirit of co-operation. It is that spirit of co-operation and of real good will that is responsible for the formation of the New York Futures Market for Buffalo delivery.

The President: As unfinished business, we will now take up the report of the Trade Rules Committee, of which Mr. Sturtevant is chairman.

REPORT OF TRADE RULES COMMITTEE

FOR years it has not been the custom of the chairman of the Trade Rules Committee to make a written report, but this year a matter has arisen which appears of sufficient importance so that a carefully considered statement should be prepared. With your permission I will read that statement, although I am a little bashful about doing so after hearing Governor Milliken's wonderful talk.

Rules of Terminal Markets vs. Trade Rules Grain Dealers National Association

Ever since this Association came into existence, a very large part of the time and attention of its officers and committees, has been devoted to the subject of arbitration and trade rules. During our Association life, there has been considered and disposed of, over 1,200 cases, involving every imaginable kind of dispute, and in the decision of these disputes we have evolved a code of law and of business ethics, that is so fair, and so equitable—so well grounded in principle, and so simple in its application, that our members transact a great volume of their business with a minimum of friction.

As a result of this work, a much better understanding of the meaning of the various trade and contract terms prevails—if one of our members has a dispute over a grain trade, the chances are the question has already been decided, and he can, without even going to the slight trouble of arbitration, ascertain in advance how his difference should be adjusted. Our arbitration docket is, in consequence, in a decline—fewer cases are being filed every year, and if we maintain our present rate of decrease, our Arbitration and Appeals Committees will soon have no duties to perform.

This condition could not prevail if our Trade Rules were unfair or illogical, or not well grounded on accepted legal principles, or if our arbitrators allowed bias or prejudice, to influence their decisions. The men who compose these committees are experts—they know the grain business from A to Z—when a case is presented they earnestly seek the truth about the facts involved, and then render their decision from a purely impersonal standpoint, on the basis of the application of the trade rules, and prior decisions to the question at issue. In my many years experience with Association arbitration, during which I have had several decisions rendered against me, I have yet to feel that any decision rendered by any of our committees, did not reflect the best unbiased judgment of the experts composing that committee.

The benefits derived by our members from association arbitration cannot be computed in dollars and cents. It is not only the actual saving in court costs and lawyer fees, but in addition, the great saving of valuable time and the partial elimination of the results of hard feelings, ordinarily engendered between litigants. We all know how much time and effort it takes to try a law suit, and the hatreds that very often result. Arbitration, under our procedure, can be accomplished by the submission of written statements with no loss of business time; and as in the majority of cases submitted, there are no disputed facts, all the committee has to do is to apply the Rules. Their decisions, stating the reasons for their findings, are so clear and fair, that ordinarily the loser can accept the verdict without rancor, and maintain cordial business relations with his temporary opponent.

This is a great work, and our record in arbitration matters is one of the principal justifications for our existence as an Association. The work must be carried on, and to do so we must maintain our standards, and arbitration between our members must be

compulsory. Our only method of compulsion is by expulsion from the Association, and by maintaining our high standards, we make the compulsion effective by branding the man who refuses arbitration as unfair in his business methods.

Most of the boards of trade were in existence before the national association,—they have their own trade rules, and when we adopted our rules, we were guided by the existing rules of the exchanges. These organizations are jealous of their rules and rightly so, but they have been evolved to meet local conditions at the different markets, while our rules are national in their scope. Under these conditions, it is inevitable that some of these rules should be in conflict with ours; much work has been done by the Association to reconcile these differences, and with considerable but not entire success.

These exchange rules cover a somewhat different field than ours, as the majority of them are disciplinary, and provide for punishment for their violation. Some of them define contractual rights as do ours, but many existing exchange rule books do not clearly distinguish between those which are disciplinary, and those which are not. It is clear that no exchange would attempt to enforce a disciplinary rule against a non-member, and it follows therefore that all the rules of the different exchanges are primarily designed to govern the business conduct of their members, and to define contractual rights in transactions between members. Many of their contractual rules, as distinguished from disciplinary rules, are by their

being members of this Association, and that contract provides that the rules of the exchange shall govern, 'A' is bound by that contract, and our trade rules have no application if in conflict with exchange rules. If the rules of the exchange provide that controversies arising from such contract must be arbitrated by the exchange, that is also binding upon 'A,' because he has signed a contract which in effect includes all the rules of the market, and such specific agreement takes precedence over the general agreement to arbitrate, which 'A' and 'B' signed when they joined this Association."

A controversy is now pending, arising from a sale made by a non-member of the Philadelphia Commercial Exchange to a member of that organization for shipment to Philadelphia, basis "Philadelphia Weights and Grades." Both parties are members of this Association. The seller has demanded, and the buyer has refused national arbitration. The buyer contends that "Philadelphia Weights and Grades" means Philadelphia terms, and that the buyer has therefore specifically agreed to arbitration, based on Philadelphia Rules, and by the Arbitration Committee of the Philadelphia Commercial Exchange. This identical question has been passed on before. The Association holds that under these circumstances, the buyer has made no such agreement as is claimed in this case. By signing a contract for the shipment of grain to Philadelphia, on Philadelphia weights and grades, he cannot be presumed to have agreed that all the Rules of the Philadelphia Commercial Exchange are a part



GROUPS OF DELEGATES AT GRAIN DEALERS NATIONAL CONVENTION, BUFFALO, N. Y.

wording, and subject matter clearly applicable only to transactions between members.

Some of the exchange arbitration rules provide that a non-member can force a member to arbitrate a trade difference before the Arbitration Committee of the exchange. Some of the exchanges have passed rules which attempt to enforce exchange arbitration on non-members by prohibiting their members from doing business with a non-member who refuses such arbitration. The best legal authorities hold that such a rule is illegal, and unenforceable, and that it might be possible for a non-member so black-listed to collect damages from the exchange, or from the complainant. I do not believe any exchange would seriously attempt to enforce such a rule. Arbitration is legal only by mutual consent of the parties, as in the case of our members, who when they join the Association, agree to submit all controversies with brother members to arbitration, according to our rules; and cannot be enforced against an unwilling litigant who has not previously agreed to submit to arbitrate.

Several times during the history of the Association, a controversy has arisen as to whether or not a certain dispute should be arbitrated according to national rules, or according to certain exchange rules, or whether it should be decided by the national committee, or the exchange committee. Such controversies usually arise in case of a non-member of an exchange having a claim against a member, growing out of a shipment from or to the particular market—both parties being members of this Association. The non-member of the exchange demands national arbitration, and the defendant refuses, claiming that the exchange committee should act.

Our position is as follows:

"If 'A,' a non-member of an exchange, makes a contract with 'B,' a member of an exchange, both

of his contract, which would be the case if he had signed a contract specifying Philadelphia terms. If that were all, our course would be plain. A member of this Association has refused arbitration and under our rules must be expelled.

In this case, however, the buyer has referred the matter to the Board of Directors of the Philadelphia Commercial Exchange, and we are advised they have ruled as follows:

"At a meeting of the Board of Directors of the Philadelphia Commercial Exchange today, it has been definitely decided, and a decision rendered, that all contracts calling for Philadelphia Weights and Grades, are to be construed to mean Philadelphia terms."

As between members of the Philadelphia Commercial Exchange, that is a perfectly sound ruling, but it cannot be applied to a transaction to which a non-member is a party, because it violates two well-known and generally accepted rules of law:

It violates that fundamental legal principle that nothing can be taken from or added to the terms of a written contract. The parties in this case might have agreed to trade basis Philadelphia terms, but as they did not do so, this provision cannot later be added to the contract except by the consent of both parties expressed in writing.

It is a universally accepted rule that "the expression of one is the exclusion of all others." Therefore, by expressly stating that the rules of the Philadelphia Commercial Exchange relating to weights and grades should govern this contract, the parties by the application of this rule, specifically excluded all other rules of the Philadelphia Commercial Exchange.

The Philadelphia Commercial Exchange can pass a rule providing that their members shall make all contracts subject to Philadelphia terms, and can enforce

such a rule by fine, suspension or expulsion, yet if in spite of such disciplinary rule a member in violation thereof, should make a contract with a non-member, subject to national trade rules, the non-member could enforce that contract in Court, and it would not affect his contractual rights that the member of the Philadelphia Commercial Exchange had violated their rule, and had been punished for his violation. If this is true, it follows that a non-member of the Philadelphia Exchange is not bound by this ruling of the Board of Directors, and that in the instant case where no specific provision was made in the contract for the application of Philadelphia rules, the non-member can, if national arbitration is refused, take his case in court, and have his contract interpreted according to national trade rules, because both he and the buyer made an agreement to that effect when they joined this Association.

We members of the of the commercial exchanges are merchants—we have something to sell, and if we are successful, must find customers to buy our grain. We usually have nothing to offer that our competitors cannot also supply, we must bind our trade to us by gaining their confidence, giving them service, and then quoting competitive prices. The day has passed when a member of an exchange can say to his customers, "You must do business my way," because if he attempts to take such a stand he will find his business drifting to competitors who use more modern methods.

There are two very famous slogans in the history of American business, one "The public be damned" of Commodore Vanderbilt, and the other "The customer is always right" of Marshall Field. I do not believe either can be successfully applied to the grain business, but I do believe there is a middle ground of fair-dealing and mutual forbearance and understanding where the members of this Association can meet and transact their business to their mutual advantage; and in that middle ground there is no place for a ruling such as the one under consideration.

There can be no question, but that the functions of the exchanges are of vastly greater importance than are those of this Association. No member of an exchange who does not value his exchange membership many times more than his national Association membership. This Association must, and will uphold the exchanges in the exercise of their functions, but we also have our field, and one of our functions is to protect the trade to the limit of our ability, against rulings by an exchange, such as the one under consideration. This ruling, if adopted and enforced by other exchanges, would put an end to national arbitra-

tion, and members of exchanges who now, by virtue of their membership in the Association, have a method whereby they can enforce their contracts against non-members of their exchange, would be forced to take their cases into court.

I am therefore, on behalf of this Association, appealing to the Board of Directors of the Philadelphia Commercial Exchange to reconsider their recent action, and submit the following for their consideration:

First.—According to the best legal advice obtainable, the complainant in this case can bring suit and have his contract interpreted according to national trade rules, and your ruling cannot possibly have any legal effect upon this or any other contract to which a non-member is a party.

Second.—Your inspectors are licensed under the Federal Grain Grades Act, and are required by that Act to inspect grain for anyone, whether a member

of your exchange or not. Your weights are furnished by common carriers who are required by law to render service to the public. Anyone can come to Philadelphia and buy and sell grain basis Philadelphia Weights and Grades and can, without being a member of your Exchange, obtain and furnish to his customers, exactly the same service and certificates as do your members. You would not presume to say to him that his trades must be made subject to Philadelphia Rules—how then can you consistently say to a non-member that he can only trade with your members on Philadelphia terms.

Third.—Your rules provide that a non-member of your Association may arbitrate under your rules a claim against one of your members, provided that you may, at your discretion, grant or refuse his request for such arbitration. You say therefore to non-members "you must trade in Philadelphia, basis Philadelphia rules, and if you have a controversy with one of our members arising from such a contract, we may give you the privilege of enforcing it according to our rules." I submit to you gentlemen, that your position is inconsistent. A non-member if forced to trade under your rules should certainly, without question, have the benefit of your arbitration rule.

Fourth.—The Commonwealth of Pennsylvania, when granting you a charter, delegated to you "the power to pass by-laws to regulate the conduct of your members." By no possible construction of your charter have you the power to regulate the conduct or business affairs of non-members.

The real question, however, is not the application of rules of law or legal quibbles, or what trade rules should be used, or which Arbitration Committee should act. We are seeking better business methods, not from altruistic motives, but from a purely selfish standpoint. What is the best and easiest way to make money in the grain business? Shall we make indefinite contracts with loop-holes which we can use to the disadvantage of our customers if the occasion arises, or shall we make clear and definite contracts with no room for misunderstanding? If we gain by the first method, we lose valuable business time and valuable business friends collecting our profits. If we lose by the second method, we can at least keep our friends and can proceed to make other and more profitable trades.

We say therefore to the exchanges: Our rules are neither better nor worse than yours, they have the same objects in view; if your members and their customers want to be governed by your rules, we will, if requested, maintain to the limit of our ability the integrity of such contracts. All we ask is that if

Mr. Wayne: I will second it.

Mr. Greene: Taking Mr. Sturtevant's very able paper as a text, this covers the trouble at Philadelphia particularly, and there are a number of such cases that tend to come up, and this clarifies it so that there can be no misunderstanding in the future.

Mr. Sturtevant: I was in hopes we might have some representative of the exchanges to present the opposite view, if any. I do not like to get up and try to argue two sides of a question, but as no one else will, I will have to. There is something new about this proposition which should receive your consideration, and that has been very well stated by President H. J. Horan of the Philadelphia Exchange in a letter which I have from him on the subject. I will read the last paragraph of the letter: "Invariably it is the honest intent of the seller of grain, who makes a con-



FROM OMAHA: MRS. AND MR. C. D. STURTEVANT, MRS. AND MR. F. C. BELL, MRS. AND MR. F. P. MANCHESTER, MRS. AND MR. J. T. BUCHANAN AND H. R. CLARK, CHIEF INSPECTOR

tract on the basis of Philadelphia weights and inspection, to buy it by the rules of the Philadelphia market. It is, therefore, quite impossible to arbitrate a dispute over a grain contract calling for Philadelphia weights and inspection in any other market than Philadelphia."

He refers there only and particularly to grain bought and received for shipment to Philadelphia from points where there are no regular market terminals, and we should consider whether an exception should be made governing such contracts, or whether there should not. I have no position to take on the matter, but hoped we might have a discussion of it, and growing out of that discussion that we might reach a result which would be satisfactory to every one.

PROPOSED CHANGES IN TRADE RULES

Three changes are proposed in the trade rules of the Association. One of the changes is in Rule No. 2. One is in Rule No. 4 and the third one is in Rule No. 24. The proposed changes are printed in black face type.

The first change, namely in Rule No. 2, is in sections (b) and (c) relating to "Terms." Three new sections, to be known as (b), (c) and (d) have been written as substitutes for the present sections (b) and (c.) There is no change in Section (a.) The entire rule as it reads at present, is as follows:

Rule 2. (a) Usual Terms: The specifications of Rule 1 shall apply except in cases where the buyer and the seller have been trading on agreed terms and conditions, in which event it shall be sufficient for the words "usual terms" to be used in telegrams, and the use of said words shall imply that such terms and conditions as governed previous trades of a like character shall obtain.

(b) Terms: The word "terms" shall mean that the weights and grades of a shipment shall be determined in the market agreed upon at time of sale, it being understood, in addition, that whenever applied to a terminal market, the word "terms" shall be construed to mean that all the rules governing such market shall obtain.

(c) Regular Market Terms: "Regular market terms" shall mean that the official inspection and weights of some board of trade, state, or disinterested public inspection and weighing department shall govern.

Substitutes for Sections (b) and (c.)

Mr. Sturtevant presents the following substitutes for Sections (b) and (c) of the above rule:

(b) When trades are made subject to the "Terms" of a named terminal market, all of the rules of such market shall be construed to be a part of the contract.

(c) When sales are made subject to the "Weights and/or Grades" of a named terminal market, a non-member of such market shall not be bound by the rules of said market.

(d) Regular Market Terms: Regular Market Terms shall mean that the official inspection and weights of some board of trade, state or disinterested public inspection and weighing department shall govern. The rules of the market where the grain is inspected and/or weighed shall not be a part of the contract, unless by specific agreement.

Mr. MacDonald: Mr. James L. King, of Philadelphia, is here, and while he tells me he has not been delegated at all to discuss this subject, I think he



ANOTHER PART OF THE GROUP PICTURE TAKEN IN CANADA

you want your rules to govern contracts with non-members, say so when you make the trade.

That is all preliminary to offering the proposed change in Rule 2. We do not think this new rule states anything not included in the old rule. We did not think there was any misunderstanding about that old rule, but there was a misunderstanding, and we are offering this new rule to attempt to clarify the situation, so that there may be no other cause for misunderstanding. The old rule is printed first, and the new rule under the second heading, "Substitute."

This rule attempts to define the position of the Association in line with the paper which I just read. It is a matter of considerable importance to the Association, not only to maintain our standards and our position in the arbitration world, but also to try to reconcile our procedure and rules with those exchanges.

Mr. Green: I move the adoption of this substitute offered by Mr. Sturtevant as to change in Rule 2.

could be prevailed upon to give us his ideas, and they might be helpful.

The President: We would be glad to have an expression from Mr. King on this subject.

Mr. King: I feel a considerable degree of embarrassment, particularly in view of the remarks of Governor Milliken this morning, with which I firmly agree, as to the value of arbitration, to rise here to defend a party that seems to be in bad repute, for an exchange of which I have been a member for 33 years, whose methods and rules are called into discussion here. So I want it clearly and distinctly understood that I am not speaking at all for the Commercial Exchange, because they did not delegate any one so to do, nor am I here at the solicitation of the Philadelphia Export Company in any manner whatsoever. I am here simply as a member of the Commercial Exchange of Philadelphia, and as a member of the Grain Dealers National Association for many years.

If you will permit a personal statement, which seems a little off of the question before us, I have known the Philadelphia Export Company and have dealt largely with them, sold them many hundreds of thousands of dollars worth of grain. They are not a firm that waltches on contracts in any manner whatsoever; they are a perfectly reputable and reliable firm in every manner. The Exchange itself has been in existence for 70 years, and is also of equal reputation, and tries to meet the advancing situation in the grain trade and comply with the general requirements.

I have been a member of the Exchange for over 30 years, and have been somewhat active in its trading. It has always been considered that every transaction, whether between members, or with outsiders selling to members of the Exchange, where the seller specifies that he wants to sell, which is in this case I believe the case, according to Philadelphia weights and grades, that any dispute arising would be settled in the Philadelphia market. This case I believe I am familiar with, because I know the records of the Association, I know the position of the Commercial Exchange had nothing to do with the rule that the directorate passed there prior to the expulsion of the Philadelphia Export Company, and I know the Philadelphia Export Company's position in the matter. I do not know anything about the plaintiff's position excepting as it comes from the records of the Association. And this case grew out of the fact of overages, that is, surplus grain, the question of weights. I am not stating this as an actual fact, but giving it as coming to me from the Philadelphia Export Company. These people were shipping wheat subject to Philadelphia weights and grades, and they shipped

I simply know the case, and having been called on, am very glad indeed to give you our slant on it or any viewpoint I may have. I think it is a mistake to inflict a thing of this kind on any member, whether the Philadelphia Export Company or some other member, unless it is very clearly defined in the rules and regulations that it should be done. And while the Philadelphia Export Company signed and agreed to abide by the rules and regulations of this Association, yet they felt that according to the practices of the Philadelphia market, existing over their entire history, and according to the practices, I believe from my experience in the grain trade, of every other exchange market, where you buy according to the weights and grades of a market, you naturally expect to settle your differences in that market unless it is clearly defined otherwise. This was not a Grain Dealers National Association rule on which this grain was sold. I think that is the position of the Philadelphia Export Company.

Mr. Sturtevant: I would like to say to Mr. King and the members here, that I am not familiar at all with this arbitration case, nor were my remarks directed against the Philadelphia Export Company, nor have they any connection with the arbitration case. My paper was directed solely against the resolution of the Philadelphia Commercial Exchange, which covered all transactions under Philadelphia terms, not only of grain shipped in, but on grain shipped out, and if carried to its logical conclusion, would be an end to national arbitration. That is the only basis for my statement here today. This is a matter of considerable importance. It might do well for the chair to appoint a committee to work on this during the coming year, rather than attempt to act here today with so few members present.

Mr. Watkins: I think the remarks of the chairman are in order, and I rise to speak first to the motion which is before the house, and the concluding suggestion, that it be withdrawn and referred to a committee for further consideration and later action. In the first place, Mr. King has just advanced one argument which I think is very pertinent in opposition to the adoption of the revised rule. The old rule, so far as I know, and I have had some connection with arbitration and trade rules for some time, has worked consistently, and so far as I can recall, this is the first time in which there has been any challenging of the wording of that original rule. So much for that. My more specific objection to this amendment is that in Section b, you are defining the word "Terms," and then in Section d, you use the same word again, calling it "Terms," and you are giving two different interpretations. You first state the terms include all of the rules of the market, and then under "Regular Market Terms": "The rules of the market where the grain is inspected and / or weighed shall not be a part of the contract, unless by specific agreement." I think there would be some confusion in that phraseology. Perhaps the changing of the title would clear that up. In your substitute d you define "Terms," first in b, and then in d, after eliminating the other rules of the market, in the other you include them. I think it should be referred to a committee and returned for later action.

Mr. Green: I will withdraw my motion, with the consent of my second.

Mr. Wayne: I will agree to that.

Mr. Watkins: I move a committee be appointed as suggested, to consist of three members appointed by the chair, to consider this entire rule and the situation growing out of it, and report to this convention at the next regular meeting of the convention.

Mr. Green: I will second that.

Mr. Sturtevant: I think we should use this controversy for the purpose of further attempting to reconcile exchange rules. Our friend, Mr. Clark, of the *Grain Dealers Journal*, says we are either unorganized or disorganized or both. This is a good illustration of it. Every other business is organizing and standardizing, and there is no reason why exchange rules on a question of this kind should differ. All we want is some basis to work on, and let us get these unessential matters straightened out so that we won't have fights about nothing.

(Motion carried.)

Mr. Sturtevant: At the suggestion of Mr. Bingham, of Cedar Rapids, one of our arbitrators, I offer for consideration a new substitute Section D in Rule 4. There is a considerable history attached to that new trade rule. In the early days of arbitration some of the committees handling the early cases held that in certain cases a party was bound by the terms of a written contract which he received, but which he did not formally accept, and in consequences of those rulings the Association at an early date adopted the present Rule 29, which abolishes the custom of "silence confirms." Cases have arisen, however, where an Arbitration Committee has held that a party was bound by the terms of a written contract which he received and to which he did not object. I believe that decision is contrary to the provisions of Rule 29, but the committee says they considered that, and that committee requests we clarify the rules by adopting this change. There has been a very decided element in favor of adopting a rule that a man would be bound by the terms of a written contract which he received and to which he did not object. I believe that

element has been in the minority, and they are not represented here today. I think this rule as it is drawn is a correct statement of the legal phases. I do not believe we can bind a man by sending him a lot of printed clauses in a confirmation and do not believe we should. The controversy arose in time of shipment.

Substitute for Section (d) of Rule 4,

Mr. Sturtevant presents a substitute for Section (d) of Rule No. 4. Section (d) now reads as follows:

(d) When either of the confirmations contains provisions at variance with the conditions expressed in the card bid, or other written or printed bid, the provisions of the said card, other written, or printed, bid shall govern, except when both parties to the contract shall waive the irregularity by signing the confirmation, in which event, the confirmation thus signed, shall be understood to express the terms of the contract.

The substitute proposed for Section (d) is as follows:

(d) Conditions expressed in a written or printed confirmation contrary to or not included in the original offer and acceptance are not binding upon the party receiving same unless accepted by him in writing. When each party accepts the other's confirma-



THE TRIUMPH OF ARBITRATION

E. T. Custerborden, Sidney, Ohio, and H. H. Bingham, Indianapolis, Ind., talk over the recent decision, the first Mr. Custerborden has lost.

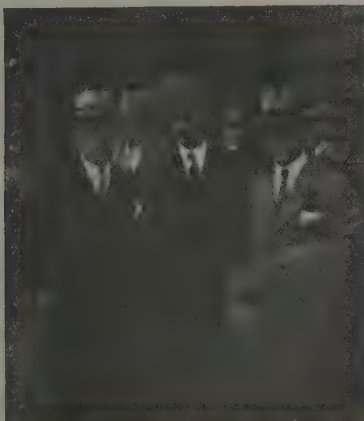
tion in writing and the confirmations contain conflicting provisions, said conflicting provisions shall be disregarded.

Mr. Watkins: Does this revision clarify this matter particularly?

Mr. Sturtevant: It gives under "confirmation," if you will notice—well, I do not know as I care to answer that question.

Mr. Reilly: This original Section 4 was adopted long after the section referred to by the chairman. The theory at the time it was adopted was that there should be some kind of a contract. It was largely on the theory that many people who received confirmations failed to give attention to them or failed to sign them and send them back, and Paragraph d provides for a definite contract, that is, the terms and conditions expressed in the bid stated the contract and it is continuing until a reverse condition obtains by the signing of the confirmation. So that the bidder knows when he sends out his bid what the conditions of the contract are until it is changed by confirmation. I think this section as printed is a very proper one. We ought not to have to take a second tiff at this thing to determine what the contracts are. When a man gets a bid and looks it over, as a rule he understands it, and says, "I accept that bid," and he should be bound by that unless he voluntarily abandons it by signing a confirmation to the contrary. I believe it is the better and clearer practice, and particularly with the country grain dealers who are not quite so expert in the interpretation of confirmations, etc., and are a little dilatory in their practice—though they should not be excused for that reason—but the bid that comes in they give it their express attention, and they accept that bid, and if the bidder understands the contract and the party understands the contract, there is a contract made fully understood, and that contract is continuing until it is changed by confirmation, to which both parties may be a party. This does not get entirely away from that, but I think this does make the secondary proposition the controlling factor in place of the first.

Mr. Elkenberry: I would like to speak in support of what Mr. Reilly has said and to go a little farther. I think I had something to do with drawing Rule d originally. He has spoken of the fact that the contract many times is based merely on card bid or an offer, and that in certain branches of the trade there is a carelessness about exchanging specific confirmations, and in each instance the terms of the offer control. That is the contract. Then the old rule proceeds to govern specifically cases in which parties sign confirmations, and then the signed confirmations, if they are at variance with the terms of the bid, shall control. The substitute would leave you at sea to a certain extent in the instance of failure to exchange confirmations, and fails to mention at all the fact that the terms of the bid would govern the terms of the contract, and the latter part especially



S. L. RICE, C. E. PATTERSON, CHARLES B. KEILHOLTZ

more than the contract provided for. The market changes were quite acute at that time, and when it came time for settlement, it seemed that according to the account rendered on the final transaction by the Philadelphia Export Company, it showed that there were several hundred dollars involved which were due them, and which they took out of the settlement, and that was not according to the buyer's idea, which the shipper felt he was entitled to. That is the basis of the case. It is strictly a case of weight settlement of a surplus quantity shipped upon a contract.

Coming to the point before us for discussion, I have no idea of opposing what Mr. Sturtevant has so ably presented here in amplifying these rules, but it has occurred to me that the very fact that at this convention we desire to amplify the rules, the rules on this subject were not clear, that it was subject to a construction by the Board of Directors, of the Grain Dealers National Association, and while I believe the directors and officers of the Grain Dealers National Association acted according to the way they have always interpreted these rules, yet the rule itself did not clearly specify the point at issue. The best evidence of that seems to be that we are here today passing a rule to clarify that rule. It seems to me, not intentionally, I think, that the Association by expelling the Philadelphia Export Company on a case of this kind, have done an injury to a very reputable house. I am not here to plead their case at all.

is the one to which I object. It seems to me that thing is unworkable and uncommercial. Suppose it were a matter of price or time of shipment or delivery, essentials of any contract, how is it possible to disregard conflicting statements? Hence I think the rule is unworkable or is worded badly, and I move that this be rejected.

Mr. Booth: I will second that. In seconding that, may I say these features in this new rule have been considered by many of us quite seriously, and the matter of fine print in a confirmation has been a serious feature for several years. But I do not believe this clears it up. This matter of having a writing come back in connection with the confirmation cumber the trade machinery, and you would not get those written acceptances. We can hardly get the confirmation signed and returned, let alone any write-up of the details of the confirmation. I think this could be simplified quite a little. I am very much in favor of not having unfair features in fine print in a confirmation that conflict with the original terms or inject important new features into the contract, and I think all of us are in favor of getting away from that, but I do not believe this fixes it up. I still believe the matter of refusing to agree and objecting to fine print in a confirmation, as is done by most of us now, is the best way to get away from that feature of it. If a man tries to put something in afterwards that is not in the original trade, just object and do not stand for it.

Mr. Sturtevant: The president has just suggested we also refer this entire matter to this committee that was appointed to handle the other.

Mr. Green: I think we should reject this particular one.

Mr. Reimann: I know of the case referred to. The committee spent about six months on that case. It was held from one meeting of the Arbitration Committee to another meeting, which involved a period of six months. I do not believe it is fair to discuss that particular case without knowing something of the evidence submitted in that particular case. The committee did about all they could do with that case, based on the evidence submitted, and this particular rule did not cover that thoroughly on the basis of the evidence submitted in that particular case. I am not particularly in favor of changing this, but I do believe, on account of the things that came out in the evidence, in that case, it might be well for this to be gone into further.

Mr. Sturtevant: I did not want to be understood as reflecting on the work of the committee in that case, because I exchanged letters with Mr. Bingham on it several times, and I drew this rule at his suggestion. In the correspondence I told him I did not see how the committee could have reached any other decision than they did.

Mr. Reimann: There is no feeling whatsoever in connection with it. We were in session in February, and we had this case along with four or five other cases, and we worked on it all day, and were considering a night session on this case, and due to the fact we could not agree, I took the case back with me, and we held it until the next meeting in August, and we had considerable discussion of it. The whole thing involved was the fear that we might be establishing a precedent that might be misconstrued, but under the evidence submitted we feel we could not have reached any other decision.

Mr. Sturtevant: Well, you understand that is my contention, that the precedent seems to be against the other decisions.

Mr. Marshall, Lansing, Mich: If this is rejected here, shouldn't it go back to the Trade Rules Committee for re-wording and be presented another year, instead of sending it to a special committee? We have our Trade Rules Committee, and I think it should go back to them.

The President: Automatically, if this motion carries which is now before the house, this would go back to the Trade Rules Committee unless it is specifically submitted to some other committee.

Mr. Eikenberry: The whole thing is so vicious that I thought the board should be swept clean and we get rid of this substitute.

(Motion carried.)

Mr. Eikenberry: I understand this arose out of a decision by an Arbitration Committee. I move you that this Arbitration Committee be empowered to bring into the next annual convention a substitute for Rule D, and covering such contingencies as in their study of this rule may develop. I think that is Arbitration Committee No. 2. That is the committee that had the case in hand that give rise to the proposed substitute, because that committee has given minute study to the imperfections of Rule D, and they probably have a better basis for the consideration of this rule than any other men that could be picked. And in their work next year presumably they will be continued in office, and they can draw a substitute such as they feel will meet the conditions of the case, and do it better than any other set of men could do, and submit it to the next annual convention.

(Seconded by Mr. Green, and carried.)

Mr. Sturtevant: The next proposition is in connection with Rule 24. I have had considerable correspondence with all the directors and committee members concerning this rule. It came up through

the request of the Federal Department of Agriculture, asking me to try to obtain from the national Association an expression of our attitude on the questions involved in this rule, and I thought the best way to attempt to obtain such an expression would be to offer a rule covering the subject matter, and from the discussion resulting we could develop what our attitude should be. It is a matter of great gratification and pleasure to me, to find the Department taking the position as indicated in Paragraph C of the proposed rule. Our correspondence with Mr. Beasley is very encouraging in connection with this matter. The Department of Agriculture recognizes the commercial necessity for making contracts which will eliminate the right of either party to call for Federal appeal, and when such contracts are made they use everything in their power to enforce them. The only matter that would seem at all in controversy would be Section D.

Proposed Substitute for Rule 24

Mr. Sturtevant has completely rewritten Rule No. 24. This rule at present reads as follows:

Rule 24. Grain Shipped from Terminals or Interior Markets: When grain is sold by telegraph, telephone, or mail, by receivers or distributors, located in terminal and interior markets it shall be understood and agreed that the public weights and grades of the market from which the grain is shipped, shall govern. The substitute offered for its rule is as follows:

Rule 24. (a) When grain is sold by telegraph, telephone or mail, by receivers or distributors located in terminal and interior markets, it shall be understood and agreed that the official weights and grades of the market from which the grain is shipped shall govern. (b) If the contract specifies Federal Appeal Grades, the shipper shall furnish Federal Appeal Certificates in accordance with the terms of the sale.

(c) If the contract specifies "No Federal Appeal" the original official grades of the specified market shall be final as between the buyer and seller.

(d) If the contract is for interstate shipment, and does not mention Federal Appeal Grades, the buyer



R. M. ROWND, FRED MAYER, UNCLE JOE McCORD, J. A. STREICHER, W. H. PICKARD, B. R. HOAGLIN

may call Federal Appeal and the grades so established shall govern: Provided that notice of the intention of the buyer to call Federal Appeal shall be served upon the seller the day before the grain is loaded, if the contract is to be filled with elevator loadings, or before the cars move from the track of original inspection, if the contract is to be filled by grain in cars at the time of sale.

In default of such notice the buyer shall be presumed to have waived Federal Appeal.

If notice is served as above the seller shall, if requested by the buyer, furnish Federal Appeal Certificates in accordance with the terms of the contract.

If for any reason not due to neglect or default of the seller, Federal Appeal shall not be obtained, the grades specified in the contract shall be final as between the buyer and seller.

All expense incurred by the seller in obtaining Federal Appeal, including the charges of the Federal Supervisor, and necessary switching and demurrage charges, shall be refunded by the buyer.

Mr. Green: What do you think of referring this to the same committee as provided for in Mr. Watkins' motion, to study this matter further? I had a meeting with our members at Louisville, and they look on this, that the inspection itself is Federal inspection, and if the inspection is properly done by the regular inspectors, they should and do in most cases conform to the Federal appeal. We have tried it in our market, times without number, and the grain inspector is clothed with all the authority of Federal inspection. He has the same rules and the same procedure, the machinery is practically the same, and the only thing is another man does it. The samples are drawn in the same way; the methods are the same. It is one man's judgment through technical analysis against another man's, and our own market, speaking for them only, are opposed to this change, and I was requested to so state to this convention. It is a matter of considerable importance. I agree with Mr. Sturtevant that Mr. Beasley's action is encouraging. I would suggest, with Mr. Sturtevant's acquiescence, that the matter be referred to the same committee, to

let them study it and bring in their recommendations for the next convention.

Mr. Sturtevant: I would be very glad to have the matter referred, but I am very anxious to bring out as many of the divergent views as possible, because there is no doubt that on this question there is a distinct division in the trade. Some of us, especially in the western markets, concede and have always conceded without argument or evidence, that if you go to Omaha and buy grain for shipment out of Omaha on Omaha, terms, as a matter of course you have the right to call for Federal appeal. We do not like it, but concede you have the right, and have operated on that basis. In Louisville and one of two other points, they have proceeded on the opposite theory, that it is the duty of the buyer to specify Federal appeal at the time of the contract if he wants it. That is the matter at issue. Must he specify that, or does he as a matter of course have the right to Federal appeal?

Mr. Murrel: Unless otherwise stipulated. I believe that takes care of it. Unless otherwise stipulated, the buyer has the right to Federal appeal.

Mr. Green: I agree, but as a matter of practice we all know it is practically the same inspection, and you have to have this appeal made where the grain moves from, and you cannot take advantage of it at all. In other words, you have no confidence in the inspection in a certain market, and you must safeguard yourself by asking appeal before the grain leaves that market. The man inspecting that grain is supposed to be clothed with the authority of appeal inspection. And in only a few cases does any one ask for appeal before the grain leaves that market. I know he has that right. This makes it obligatory, if he wants to get it at all, to ask for it the day before the grain is loaded.

Mr. Marshall: Unless there seems to be a divergence of view between our members as to clearness, I think it advisable to change this so as to make it clear, so that there can be no argument. We have had the matter up with the Chicago market. I think it should be clearly stated in the rules, showing the right of both parties. I do not believe this thing should be postponed for a year.

Mr. Murrel: If you do not want a buyer to have federal inspection on grain shipped out of your market, your contract should so state.

Mr. MacDonald: You have heard my old theory about fewer rules and shorter rules, and unless there is some very strongly concentrated demand for a change in this rule, I do not want to see an inch and a half rule superseded by an eight-inch rule.

Mr. Wayne: How are you going to change the Federal rule here by passing a rule at this time? As I understand it, they have the right under the Federal law to ask for an appeal.

Mr. Sturtevant: We have to distinguish there between the rights of parties to contracts and the rights under the Federal Grain Trades Act. No one could take away the right to appeal under the Federal Grain Trades Act, but we can make a contract which will govern the rights of parties affected by it, and the Department of Agriculture will not oppose the settlement of commercial controversies upon the basis of such rule. I haven't heard from Mr. Beasley since I sent him the copy of the rule. I knew with the exception of that part of Section D, that rule would have the unofficial approval of the Federal Department authorities in charge of grain dealing.

Mr. Wayne: I think we should wait until we hear from the authorities at Washington.

Mr. Eikenberry: I cannot see where it conflicts with the rights we already enjoy under the rules of the Department covering this, except that Article C simply allows us to contract away those rights. There is something that jars upon my sensibilities in D, that notice of Federal appeal shall be served upon the seller the day before the grain is loaded, in the case of elevator loading. I realize that implies a lack of confidence in the grading of the market, but would it imply lack of confidence in the integrity of the firm that is going to load the grain, and whether there is not an implied slur on the party loading. We are trying to get our business on a pretty high plane, and that is giving official expression for a chance to the man to show his lack of confidence.

Mr. Morton: In Paragraph C. If the contract specifies "No Federal Appeal," that would not give the buyer the right to call for Federal appeal under the contract.

Mr. Sturtevant: If the buyer makes the contract, that he will not call for Federal appeal, he has no right to call for it.

Mr. Morton: It seems to me the balance of the articles here, just explain to the trade not familiar with the rules governing Federal appeal, the situation; I think most men know they have that right.

Mr. Sturtevant: With the exception of the second clause of Paragraph D, my understanding of that rule is that it is simply an expression of existing conditions. I interjected in the second clause of Paragraph D an entirely new element, and I anticipated it would meet with considerable opposition, but I wanted to bring it up for discussion, and wanted for the information of the Department of Agriculture and our own benefit to see if we could not reach the ground where we could agree upon action. I see no necessity

for the adoption of a rule on this subject at all. What we want is an expression of opinion and try to standardize our practices.

Mr. Watkins: I move we lay this on the table.

The President: There is nothing before the house. We could simply drop the matter.

Mr. Watkins: I will withdraw my motion then. I simply wanted to stop debate on it, and I thought we had talked ourselves out on the matter.

Mr. Sturtevant: That is all the committee has to present.

Mr. MacDonald: The United States Feed Distributors Association were to bring in a report as to any changes in their rules, and they simply ask leave to report no changes have been made during the past year.

Mr. Riley: Yesterday, or the day before, provision was made in pleadings in arbitration cases for surrebuttal. We are proceeding along a very correct and proper line. It occurs to me we have a great many affiliated associations operating under the rules of this Association, and that it would be proper and excellent practice if the national Association through its proper department would adopt a code of procedure, adopt a line of dealings, as it were, in form, so that when there is ever a desire for arbitration by any affiliated associations, we could ask the secretary to furnish those pleadings, and ask the people to comply with those pleadings. They are important to develop the interests involved, and we do not have to be enmeshed in the technicalities, but we want to develop all the phases of litigation before this committee, and it would be well to have a uniform code. I would like to suggest that, and would like to see the secretary prepare a code of procedure of that kind, embracing the necessary pleadings and a full and complete set of pleadings. I move that such be done. I was trusting it to the secretary, and he can consult with others, or with counsel, if he wishes to.

The Secretary: We already have a set which would be as adaptable to the affiliated associations as to ours. We can send them a copy of the rules. We have an entire book devoted to nothing else. That is available, and we will be glad to send it to you. It is printed in pamphlet form, and is as applicable to the affiliated associations as to us.

Mr. MacDonald: It does not seem right to pass any discussion of trade rules without asking Mr. Sturtevant if he is not gratified that nothing has come up this year on Section 38.

Mr. Sturtevant: Not so much as to pass Rules 6 and 7. You said you would have something up on those.

The President: We will now take up the report of the Committee on Resolutions, Mr. Watkins, chairman. Unless there is opposition to these resolutions as read, they will be accepted.

REPORT OF THE RESOLUTIONS COMMITTEE

Co-operation in the Grain Business

THE Grain Dealers National Association has proven itself of immeasurable benefit to its members as well as to the grain trade of the country at large. It has always stood for patriotism, the upholding of the laws of the land, and the protection of every legitimate handler of grain in all the diversified branches of this great industry. At this time, more than ever before in the history of the grain trade, co-operation is needed and necessary to combat and counteract theories and fallacies, purporting to aid the producer of grain, but which are in the main political gestures or attempts by professional organizers to gain control of the grain business. Only by concerted and determined efforts will it be possible to prevent untold harm and damage to every line of the grain trade from producer to consumer. The Grain Dealers National Association by its work in the past, and by the great good it can accomplish in the future, deserves the united support of the entire grain trade. That support can best be indicated by a very material increase in its membership. Therefore, we must earnestly appeal to all non-members, who for years have shared in its benefits, without contributing to its support, that they do now become members of this organization, and assist in strengthening and widening its influence.

Taxation

We appreciate the efforts of the administration and our Congress to relieve the taxpayers of the burdens of taxation. We most respectfully urge the removal of the revenue tax on grain transactions. Similar taxation has in most cases been eliminated, and the continuance of this tax is adding to the burdens of the producer who pays it, and its repeal would afford a measure of relief which, could justly be accorded him at this time and under present conditions.

Federal Trade Commission

We reassert our belief that the Federal Trade Commission, in departing from the purposes for which it was established, in abuse of its recognized authority, and in its arbitrary assumption of authority, which it never possessed, to such an extent as to make appeals to the courts necessary to protect the rights of our people, has lost the respect of classes of citizens, has failed to be a constructive force in American business life, has become a worse than

useless arm of our Federal Government, and should promptly be abolished.

Reduction of Government Bureaus

This Association has frequently gone on record in opposition to class favoritism in legislation, and against the intrusion of government in private business, and against creation of governmental commissions and establishment of bureaucratic organizations having no direct responsibility to the executive department of our representative Government, but as these menaces to our free institutions still exist, we reaffirm our unalterable opposition to any form of price-fixing legislation, or to any use of public funds to finance the business operations of any class of citizens, and we hereby protest against a continuance of the un-American policy of granting legislative and judicial powers, to any branch of the executive service, and we urge the early reorganization of Federal commissions and independent bureaus, to the end that each such organization may become extinct, and its duties be transferred to one of the executive departments directly responsible to the elective head of the Government.

Agrarian Relief

A sound national policy for agriculture suggested that the United States become first of all self-sustaining insofar as concerns all agricultural commodities which can be produced at home. Official reports show an excess of imports over total exports of agricultural products, many of which imports could with a well balanced agricultural program be produced in this country. Much of the complaint from agricultural sections arises from overproduction of commodities which do not readily find sale abroad at satisfactory prices.

Therefore, we urge the adoption, as a national policy, of a more diversified agriculture, with special

Dealers Association, I have been asked to read this resolution:

Since our last meeting, death has taken one of our most loyal members, one who was always in attendance at our conventions, one who always had the best welfare of the grain trade at heart. I refer to our beloved friend, George A. Wells, who died last November. I feel that this Association should revere his memory by passing a resolution expressing our deep sorrow at his passing, and I move that such a resolution be passed and be spread upon the minutes of the meeting, and the widow, Mrs. George A. Wells, of Des Moines, Iowa, be so notified.

Mr. Sturtevant: I will second that.

The President: With your permission, we will pass this as we did the other resolutions submitted, by the dropping of the gavel. I know all of the members of this Association would want to go on record in this manner, for no one in the grain trade has been held in greater respect than George A. Wells.

[The reports of various committees which were scheduled for the Tuesday session, but which were not read at that time, follow.]

REPORT OF THE ARBITRATION COMMITTEES

Report of Committee No. 4

YOUR committee makes this report for the last fiscal year: Our committee has handled seven cases. All of these cases were decided by a unanimous vote of our committee with the exception of one. In one case, Mr. Connolly filed a dissenting opinion.—E. W. Crouch, chairman.

Report of Committee No. 6

The chairman of this committee was appointed July 27, of this year.

One case came to the committee's attention viz.,



CONVENTION GROUP OF GRAIN DEALERS NATIONAL ASSOCIATION AT BUFFALO, N. Y.

attention to those agricultural articles of commerce which we do not at present produce in sufficient quantities to satisfy the home market, and we most earnestly oppose fresh reclamation and irrigation projects which tend to make worse an already serious condition of overproduction, beyond the ability of the domestic market to absorb.

Speakers

We desire to express our hearty appreciation to the speakers on our program, who have brought to us inspiring and timely messages. We extend our sincere thanks for their contributions to the success of this meeting.

Thanks to Hosts

We, the members of the Grain Dealers National Association have had our hearts gladdened by the openhanded hospitality extended to our members by the grain trade of the beautiful city of Buffalo. Everything has been done that could be done to make our stay both pleasant and profitable in this great inter-oceanic grain market. We compliment our hosts on the cordiality extended to us all. To make a wish while in your midst has been to have it gratified as soon as expressed. In saying good-bye, we wish you God-speed, with the hope at some not distant time our boat may again touch your hospitable shores.

Mr. Watkins: We are often criticized as a grain trade organization by others, because we do not offer anything constructive to aid in the solution of agrarian problems. We believe this resolution on that subject provides a practical working proposition.

The President: We thank the members of the Committee on Resolutions for their report which has just been recorded.

Mr. Murrel: As a member of the Western Grain

No. 1207—Kettenbach Grain Company, San Francisco, Calif., versus Wallingford Grain Corporation, Wichita, Kan. The chairman wrote the decision to this case, other members concurring.

Dealers throughout the district of this Committee are generally peaceable in all their activity in the grain trade.

Tariffs are issued, and adopted by practically every trade center, covering in detail differentials, dockages, discounts, charges, interest, demurrage, diversion, free time and practically all trading points that might be controversial. These tariffs are well distributed, and are so well understood by the trade that it is scarcely ever necessary to resort to arbitration between members of this district.—S. C. Armstrong, chairman.

Report of Committee No. 2

Arbitration Committee No. 2 has held two meetings during the past year, and has rendered decisions in six cases. While the amounts involved have not been large, there have been questions which did not seem to be full covered in our rules, and on which customs of business are not sufficiently well established to show without question, how such a matter should be decided, and the chairman of the committee suggests that these points should be covered by new rules.

One case involved a sale for 10-day shipment, in confirmation of which the seller mailed to the buyer, and the buyer acknowledged the receipt, of a confirmation in which was the printed clause "When shipping instructions are not given with the order, time of shipment begins the next day following that on which instructions are received by us." Although we have Rule 29 abolishing the custom of "Silence Confirms" nevertheless without a rule authorizing the Arbitration Committee to disregard this clause in the contract, were forced to decide that the clause was in effect. If these printed clauses are to be disregarded,

as seems to be the sentiment of a good many in the grain trade, we would suggest that the following clause be substituted for Section D of Rule 4. Conditions expressed in a written or printed confirmation, contrary to, or not included in the original offer or acceptance are not binding on the party receiving same unless accepted by him in writing. When each party accepts the other's confirmation in writing, and the confirmations contain conflicting provisions, such conflicting provisions shall be disregarded."

Another matter which we believe should be given publicity through the grain trade, although it may not require any change in rules—this arose from a sale of some "cool and sweet" Sample grade corn, on which seller furnished a regular inspection certificate, showing Sample grade corn with a definite amount of moisture, coming within the contract, and without any reference to the corn being either musty or sour, or heating. Buyers claimed that the corn arrived heating, and claimed that the seller had not produced evidence that the corn was "cool and sweet" when loaded, and therefore in accordance with contract. Sellers produced letters from both the chief inspector, and the supervisor advising that as no reference was made to the corn being sour, musty or heating, it was evidence that the corn was "cool and sweet" as loaded.

A similar condition is liable to arise at any time on sales of kiln dried corn, or corn free of kiln dried, and the suggestion is made that this Association go on record that if a buyer agrees to buy grain on terms other than those which can be shown on an inspection certificate, that the burden of proof that the shipment was not in accordance with the contract rests upon the buyer which means that if grain is bought from the terminal market for shipment from that market, the buyer must prove that the grain as loaded was not in accordance with specifications of contract before he can recover any damages.—E. H. Bingham, chairman.

REPORT OF THE MEMBERSHIP COMMITTEE

THE campaign for new members during the convention year 1925-26 has been eminently successful. The number of new members taken in was 207. This is an increase of six members over last when the number secured totaled 201.

It is cause for congratulation that so many members of the Association realize the importance of adding new members each year to take the places of those who resign, go out of business, are dropped for non-payment of dues or die. No trade organization can live, of course, unless new blood is constantly coming in. It is always a great and basic problem, this keeping up the membership. It means hard work and lots of it. And it is absolutely necessary work. When an Association declines in membership it begins to lose its influence and consequently its power for doing good.

While the Grain Dealers National Association can claim the distinction of having many members who appreciate the necessity of the annual booster campaigns, there are many in the organization also who seem to think that their duty to the Association is done when they pay their dues. It is plain that their duty goes beyond this because if it did not there would come a time, and that too in a very few years, when the membership would dwindle to small proportions through the many causes already enumerated.

If the Association could but inculcate in the minds of all the members the absolute necessity of some individual booster work each year on the part of every one the problem of keeping up the membership would be immensely simplified. A strong effort should be made to obtain this most desirable result.

Some splendid records of individual work on the part of a number of boosters are shown in the Roll of Honor list that is published regularly in *Who is Who in the Grain Trade*. George E. Booth, of Chicago, who wins the first prize has a record of which he should be proud. He secured 31 new members during the year. Almost equal to this fine record was the work of Harry Williams, of Nashville, Tenn., who captured 24 new members. The third prize winner is W. H. Harter, of Minneapolis, who induced 13 to come into the fold. The fourth prize goes to J. B. Stouten, of Buffalo, who landed 12 new members.

These four men secured 80 new members among them. And then there was L. H. Connell, of Denver, who got 12 applications. These five boosters secured nearly one-half of the total of new members.

This but goes to show what really could be done if some way were found to enthrall all the members with the same spirit of services displayed by these five. Your chairman wonders if it is not possible to have a score or more of such men instead of five.

In addition to those I have mentioned there are several more who are worthy of attention in this report. The Nashville Warehouse & Elevator Company, of Nashville, Tenn., secured seven new members during the year, and the same number was taken in by the Transit Grain & Commission Company of Fort Worth, Texas. And then there are two boosters who each got six new members. They are L. E. Marshall, of Lansing, Mich., and John Stark, of Kansas City, Mo. Three boosters obtained five new members each as follows: F. G. Horner, Evanston,

Ill.; J. F. Zahm & Co., Toledo, Ohio, and the W. M. Bell Company, of Milwaukee, Wis. The Scholl Grain Company, of Cincinnati, got four new members and the following three boosters landed three new members each: W. G. Kirkpatrick, Great Falls, Mont.; J. M. Rankin, Cambridge, Neb., and W. M. Randels, Enid, Okla.

Space in this report will not permit the inclusion of all of names of all who secured, one or two members. Suffice it to say that 13 of the boosters landed two new members each while 35 boosters got one each.

Your chairman wishes to thank all the boosters for their fine efforts. Without them there could not be a successful Association. We recommend that the booster campaigns be continued because that seems to be the only method of keeping up the membership.—Wade Wood, chairman.

REPORT OF UNIFORM GRADES COMMITTEE

YOUR chairman of the Uniform Grades Committee has to report to the convention promulgation and adoption of grades covering barley as recommended by the Department of Agriculture after meetings held at various places and discussions by dealers who are most interested in handling this commodity.

The Bureau of Agricultural Economics, Department of Agriculture held meetings at Los Angeles, San Francisco, Portland, Seattle, Minneapolis, Chicago and New York. At the Los Angeles meeting, the Association was represented by Committeeman J. Hartley Taylor.

At the meeting held at Minneapolis the Association was represented by your director, J. W. Greer, and at Seattle by S. C. Armstrong, a former director of the Association; while at the Portland meeting I. C. Sanford was present. At the meeting at San Francisco the Association was represented by Director A. H. Hankerson.

At the New York meeting the Association was represented by your director, Mr. Forbell.

I would like also, as chairman of this committee, to make a suggestion, or rather bring the Association's attention to the fact of the wide discrepancies prevailing in the Southwest territory, especially on the grade given Mixed Wheat of the Hard Red Winter and Soft Red Winter variety. Of course, I realize this feature will not interest any of the members outside of Kansas, Oklahoma and Texas; but I do feel it to be of vast importance to the members residing in that section where this class of wheat is handled in large amounts every season.

It is to be regretted that standards as promulgated by the Department of Agriculture, Grain Standards Act do not more clearly and specifically define the characteristics of these two grades where they are mixed in the fields, and this permits a wide range of classification on the same car. It has been my personal experience in the past five years to see a different percentage of these admixtures given by each inspector grading the car; and it is a common occurrence to have one inspector grade a car No. 1 80 per cent Soft Red Winter and 80 per cent Hard Red Winter, and another inspector to grade the same car No. 1 60 per cent Soft Red Winter, 40 per cent Soft Hard Red Winter; while another inspector will grade the same car as 40 per cent Soft Red Winter and 60 per cent Hard Red Winter.

It frequently happens that Mixed wheat containing 75 per cent or more Soft Red Winter commands a premium over Hard Red Winter, and always commands a premium over Mixed containing 65 per cent Soft Red Winter. So the Association can clearly see the necessity of obtaining the correct grade, as well as to see that different inspectors and different terminal markets issue a uniform grade or classification on this character of Wheat. I deem this matter of sufficient importance to recommend that the Association present resolutions to the Department of Agriculture urging steps to remedy this fault.—G. E. Blewett, chairman.

The President: We will hear the report of the Committee on Nominations. John Ballard, of St. Louis, was added to this committee, and Mr. Stark was made chairman. I will now call upon Mr. Stark for his report.

Mr. Stark: The Committee on Nominations desires to report its recommendations for the various officers in the Association for the ensuing year as follows: President, C. D. Sturtevant, Omaha, Neb.; first vice-president, A. S. MacDonald, Boston, Mass.; second vice-president, John S. Green, Louisville, Ky.

Directors for two years: J. W. McCord, Columbus, Ohio; W. M. Randels, Enid, Okla.; W. W. Manning, Fort Worth, Texas; W. Carey Cook, Fort Collins, Colo.; L. W. Forbell, New York City; E. M. Wayne, Delavan, Ill.; George B. Wood, Buffalo, N. Y.; H. W. Reimann, Shelbyville, Ind.; Reeve Harden, Hamburg, N. J.; H. R. Wilber, Jamestown, N. Y.; J. R. Murrel, Jr., Cedar Rapids, Iowa; George E. Booth, Chicago, Ill.; C. C. Isely, Dodge City, Kan.; W. O. Fehling, Philadelphia, Pa.; Harry Williams, Nashville, Tenn.

Directors for one year, to fill out unexpired terms: George Ellsworth Meech, Middletown, Conn.; D. B. Kevill, Sikeston, Mo., and J. A. Sturges, East Hampton, Mass.

The President: Are there any further nominations? If not, we will consider the nominations closed.

Mr. Eikenberry: I move that the rules be suspended and the secretary be instructed to cast the ballot of the members of the convention for the nominations made by the committee.

(Seconded by Mr. Stark, and carried.)

The President: I will ask Mr. Sturtevant to come to the platform. I certainly want to congratulate this meeting on your selection of the new president, because his integrity, his ability and his experience assure a successful administration for the coming year. I am glad indeed to turn the office over to Mr. Sturtevant.

Mr. Sturtevant: A man taking this chair just after the last president has stepped down, I appreciate, has a hard job on his hands. I have no hope of keeping up the standards of the administration set by him, but I thank you very much for the honor, because I think it is one of the greatest honors that can be conferred upon a grain merchant. (Applause.)

Unless there is some further business to come before the meeting, a motion to adjourn is in order.

Mr. King: I think it would be well at this time if we could hear a word from the two vice-presidents.

Mr. Sturtevant: That would be very fine.

Mr. MacDonald: It must surprise this Association to find me without words, but even in this age of surprises that may be expected some time. I have nothing to say except to thank you very much for the election, which I consider a very great honor, and for which I am deeply grateful. (Applause.)

Mr. Green: I happen to have the honor of keeping this post over for one year. I am glad to stay in the organization and do anything I can for the president and the officers. I am always glad to be of service to any man connected with the Grain Dealers National Association. I would suggest that the scheme of President Horner be kept as a regular thing in the future, regarding our meeting, and that is that the president have a meeting of his Board of Directors a day ahead of the convention, because we can all get together and discuss quietly and have a full membership, the different matters pertaining to the organization. This membership canvas started, I think, as the result of this meeting we had here before the convention. It will do us good. There is nothing we need more than new members in the organization, and it is something we have all been thinking about, and the organization has been working hard this last year to get something over 200 new members, and we should get 400 members through this campaign that has been started. That came about from this meeting that we held before the convention assembled, and I very strongly urge that that practice be continued.

Mr. Sturtevant: I am in accord with that, and I think President Horner's idea of that meeting was a salutary one and it will be my intention to call such a meeting on the day preceding the annual meeting.

If there is nothing further, the convention will stand adjourned.

BUFFALO BITS

The Monday afternoon boat trip on the Buffalo River and outer harbor gave opportunity for dealers to see the 18 lake elevators with a total capacity of 34,400,000 bushels of grain, and mills which, for the crop season ending July 1, 1926, produced 9,850,000 barrels of flour. The exhibitions by the U. S. Life Saving Station, the coast guard fleet, the five tug and the speed boats were also much enjoyed in spite of the raw winds and occasional gusts of rain.

The Iowa song birds led by Ray Murrel of Cedar Rapids found the going good on the boat trip, and the "Tall Corn" grew all over the Harbor.

O. W. Randolph of Toledo, maker of the Randolph Drier, had models of his driers on exhibit and the canes that he distributed were prized by everyone, R. H. Barker, Buffalo representative, helped demonstrate the driers.

The New York Futures Market was represented by a large delegation. They distributed badges showing the sky line of New York in relief and an inset of the Produce Exchange. Among those registered from that city were: B. F. Schwartz, B. J. Owen, W. C. Rossman, T. W. Story, L. W. Forbell, R. B. Gentles, J. H. Bowne, C. Boersma, T. W. Kane, J. J. Smith, Gerald Fagan, J. A. Abel, F. C. Seaver, A. L. Lippmann, L. S. Montgomery, L. Duval, Chas. Costenbader, Axel Hansen, Jack Wels, Jacob Rossman, Joseph Wilkins, R. P. J. Barry, G. F. Earle, E. S. Blake, Donough, K. W. Batts, George Elwell, J. J. King, T. M. Blake, J. F. Gerard, R. O. Brandt, E. V. Phillips, Carl F. Andrus, R. C. Conklin, Mr. Franker, Sidney Hall, H. T. Guest, E. S. Quinn, William E. Pritchard, Evans Brinkley, C. S. Betts, J. W. Lee, Vernon Mathews, J. W. Danforth, F. E. Hilgardner, W. V. Dickinson, E. S. Dougall, Henry Leverich.

A. C. Barbeau and S. W. Watson of the S. Howes Company, Silver Creek, N. Y., were on hand to greet their many friends in the trade.

T. D. Budd, chief engineer of James Stewart & Co. of Chicago, found many elevator owners interested in the steel bin bottoms which he had recently installed in the new Marine Elevator at Buffalo.

T. A. Bryant of St. Louis, as usual arranged for a special car to take care of the St. Louis delegation. Among those who came from that market were, George C. Martin, Jr., F. H. Schlinkert, R. R. DeArmond, F. W. Langenberg, D. L. Boyer, C. L. Wright,

J. V. McCarthy, A. E. Mann, A. H. Beardsley, Ralph E. Nye, Charles Rippin, T. M. Scott, J. M. Adam, H. E. Miller, J. H. Caldwell, J. O. Ballard and L. F. Schultz.

Toledo was well represented by Fred Mayer, J. A. Streicher, L. J. Schuster, R. I. Schuster, G. E. Peterson, C. B. Keilholtz, Kent Keilholtz and J. D. Hurlburt. From Peoria came C. C. Miles, Fred W. Mueller, B. E. Wrigley, Clay Johnson, J. R. Lofgren, F. B. Tompkins, L. H. Murray, J. L. White, George W. Cole. And with this delegation came E. N. Wayne of Delavan.

H. I. Baldwin of Decatur, Ill., was sought out by scores of dealers at the convention, but was not to be found. A protracted illness kept him at home although he did not give up hope of attending until the last day before the meeting. It is the first meeting of the national Association which Mr. Baldwin has missed in 22 years. Surely a record to be proud of. H. J. Kapp represented H. I. Baldwin & Co., at the convention.

Chicago naturally had the largest delegation of any of the terminal markets outside of Buffalo itself. Among its number were F. L. Gates, George E. Booth, C. A. King, J. M. Bylsma, K. S. Templeton, L. T. Sayre, J. J. Fones, Alex. W. Kay, C. W. Baum, Arrin S. Dowse, A. Kemper, H. W. Ewent, F. T. Bascom, Kenneth Pierce, Edward Hymers, J. J. Badenoch, M. C. Vehon, S. H. Smith, Harry D. Richeson, J. A. Noble, J. T. Burke, F. E. Glover, E. J. Feebery, G. W. Pettit, C. E. Phillips, E. F. Haves, H. S. Klein, Roland McHenry, Otto Waitzmann, Paul Kling, G. V. Kellogg, M. N. Nowak.

Sherman T. Edwards of Chicago found many in attendance who were eager to talk feed problems. Mr. Edwards has made feed plant engineering and the science of feeding a study of many years and his expert service is in demand.

The market of the president-elect, C. D. Sturtevant of Omaha, was represented by himself, Frank C. Bell, F. P. Manchester, J. T. Buchanan and Chief Inspector H. R. Clark. This delegation, by the way, handed out a booklet on Omaha and its market which made many readers feel a strong urge to visit that interesting market next year.

B. L. Brooks of the Huntley Manufacturing Company of Brocton, N. Y., was shaking hands with old friends and telling new acquaintances some of the virtues of the "Monitor" line of cleaning machinery.

The Buffalo woods were full of secretaries of affiliated or allied associations. The state grain associations were represented by W. E. Culbertson of Illinois, Chas. B. Riley of Indiana, E. T. Custerborder of Ohio, D. O. Milligan of the Western, D. L. Boyer of Missouri, J. N. Beasley of the Texas Panhandle, Clarence K. Jones of the Wholesale Grass Dealers Association, of Baltimore, Fred K. Sale of the National Hay Association, D. J. Schuh of the United States Feed Distributors Association, James A. Sturges of the Massachusetts Retail Grain Dealers Association.

Frank B. Bell of Milwaukee has been in Buffalo scores of times on business, but this was the first time he had ever seen Niagara and the gorge. With Mr. Bell from Milwaukee came J. M. Riebs, J. L. Bowlus, W. A. Hotkensen, and C. E. Dingwell. Led by Secretary W. H. Howard of the Indianapolis Board of Trade, that market was represented by H. H. Bingham, William R. Evans, Sam A. Holder, Carl D. Menzie, Chas. E. Riley, C. M. Record, and close by there was H. W. Reimann of Shelbyville.

Roy V. Harper, W. A. Low, C. A. Rector, A. J. Gallagher, L. C. Newson and R. A. Sheets represented Pittsburgh at the convention.

E. B. Terrill, J. A. Hollam, A. M. Braun, D. J. Schuh, and A. E. Lippelman came up to tell the world that Cincinnati is the natural gateway to the South-east and one of the best markets.

We never saw so many pretty girls in one place as turned up with "Hostess" badges on for the dance Monday evening. No one had any excuse for feeling lonesome and the party was one of the features of the entertainment.

At the banquet the Hotel Statler outdid itself both in the quality of the food and the expeditious manner of serving. The entertainment features, the orchestra and the singers were of high caliber and the speeches of unusual merit. President Horner as usual said the right thing in the right way, and Captain O'Hay is not soon to be forgotten.

The ladies in attendance at the convention were entertained lavishly. On Monday, while the men were in session and on the boat ride, the ladies were taken by automobile to East Aurora where they visited the famous Roycroft shops. They shared with the men the dance of Monday evening, the trip to Niagara on Tuesday, and the banquet on Tuesday evening. They were enthusiastic about the hospitality of Buffalo.

TERMINAL WEIGHMASTERS HOLD ANNUAL MEETING

President J. A. Schmitz, of Chicago, called to order the ninth annual meeting of the Terminal Grain Weighmasters National Association the morning of October 18. The meeting was held at the same time and headquarters as the national grain dealers' convention, so that there was opportunity for interchange of ideas and personal contact between members of the

two organizations. After formally opening the meeting, Mr. Schmitz who is weighmaster of the Chicago Board of Trade, read an address on "Troubles of the Grain Man."

J. A. SCHMITZ'S ADDRESS

A terminal grain weighing bureau properly may be termed a "trouble department" in the sense that it comes in contact with most of the troubles to which the grain trade is heir. Many of these troubles, in varying degrees of severity, will always be with us; but the causes of some of them can and ought to be remedied. It is the latter class with which I shall deal in this discussion of some of the trials of the grain man.

First, I shall dwell on a problem of the grain handler that is due directly to an unsatisfactory condition prevailing to a greater or lesser degree, in carriers' box cars.

Outside Car Doors

No part of the box car equipment occasions more delay, more annoyance, or more swearing, than the outside car door. Generally speaking, it is one part of the car, the improvement of which has not involved, to any noticeable extent, the operating mechanism. Often, after ordinary methods have failed, I have witnessed the opening of outside car doors by means of the unloading elevator's power machinery. Only recently, after 10 minutes of hard work, using suitable bars, we succeeded in opening the door of a new, modern, steel box car but six inches; and to close that door those six inches we finally resorted to a heavy sledge hammer, borrowed from a nearby section gang. And such conditions are greatly augmented by snow and ice.

Mutilated side facia of box cars to be seen wherever cars are stored, due to the application of diamond pointed bars in closing outside car doors, bear mute



PRESIDENT J. A. SCHMITZ

evidence of the need for material improvement in their operating mechanism. It would appear that the carrier should give this important part of car construction more consideration.

Estimated Weights

Another source of trouble lies in estimated and other unreliable weights, especially when grain of light density is being handled. It matters not how correct a terminal weight may be, if the shipper believes that he loaded more grain in a car than he is credited with, he feels that he has suffered loss; and no amount of argument or facts indicating the contrary will convince him. Only recently, we weighed 48,000 pounds of 26½-pound natural oats from a car, into which the shipper claimed to have loaded 69,000 pounds. The depth of the grain (which we had) and the cubic space the oats occupied in the car corroborated our weight of 48,000 pounds. Moreover a car having a box of the size of this car would not hold 69,000 pounds of 26½-pound oats even though every inch of available space in the car was filled.

The grain inspector's record too, and our own record of the depth showed there was considerable space in the car between the oats and the roof. In spite of all this evidence, the shipper was very much aggrieved, and still feels that he did not receive credit for all the oats he shipped. It would appear, in the absence of suitable weighing facilities, that shippers should take into account the varying densities of grain when estimating the quantities they load into cars, and thus prevent possible contention and ill-feeling.

Inadequate Weighing Records

Another cause of possible trouble lies in failure to keep detailed records of the weighing and loading or unloading at points where the weighing facilities are of small capacity, or otherwise subject to error. To illustrate this phase of the subject, I will cite one of

many instances which resulted in the Chicago Weighing Department visiting the other end of the weighing transaction. I personally made the investigation, and found the source of trouble was due primarily to incomplete records as follows: No book entry of the weights had been made at the time of weighing. Instead, the records consisted of an *improperly filled out* punch ticket. An automatic scale was used, and the punch ticket from this scale was the only record, and it was made in such a way that transposition, both of car numbers and weights, could reasonably be expected. My check up of the matter, with the receiver of the grain, readily convinced him that his records were unreliable because incomplete.

Based on my experience, it is a grave mistake to form decided opinions with respect to the accuracy of a weight without sufficient evidence. *Sufficient evidence lies, primarily, in complete detailed records.* It seems unjust that terminal weighmaster should be obliged to substantiate not only the accuracy of his own records, but also should be expected to locate errors at the other end of the line, especially in cases where the filer of the claim knows full well that his weighing records are of such a character that they cannot stand analysis.

Rough Handling of Cars

Some railroad statistics relative to the results of rough handling of cars in transit will be pertinent in discussing the effect thereof. First, I shall take up the effect of "rough handling of cars" in all classes of freight, including freight in containers, by quoting from the 1925 report of the Committee on Freight Claim Prevention of the American Railway Association, as follows:

Out of a total of \$48,000,000 paid by the railroads in loss and damage claims, this committee charged that more than \$9,000,000 of it was due to rough handling of cars in transit. The committee also placed the loss due to defective equipment at over \$3,500,000. This A. R. A. Committee also quoted statistics covering grain losses and their causes as follows:

It charged that loss of grain in transit, due to rough handling of cars amounted to \$16,623, and it placed the loss of grain due to defective and unfit equipment at \$1,313,860. But these two items are so closely allied, yet so far apart in amount of dollars and cents, that some comment with respect thereto should be timely. No doubt, the first question that will arise in your minds is what percentage of the defective and unfit equipment recorded by them was in reality directly due to the rough handling of cars. Probably the reason this railroad committee did not dwell on this angle of the subject was that there is no data available from which even to estimate the cause for such an unusually large number of defective and unfit cars. Surely things extraordinary must have occurred to make so many cars defective and unfit for handling grain in bulk. It is to be regretted that this committee did not see fit to investigate this phase of so important a matter so that it could report its findings for the benefit of A. R. A. member lines and others interested.

This committee also gives some other very interesting statistics covering loss and damage claims, as follows: It placed carriers' losses due to errors of employees at almost \$1,000,000 and carriers' losses due to improper handling, loading, unloading and stowing at \$800,000. It also placed the loss due to robbery, all kinds of freight, at approximately \$1,500,000. The items in this report covering grain only are as follows: Unlocated losses \$604,069; improper handling, loading, unloading and stowing, \$35,482; delay, \$118,593; robbery, \$37,501; wrecks, \$285,436; fire or marine loss, \$9,735; and errors of employees, \$34,342.

TRANSPORTATION REPORT

Henry L. Goemann, chairman of the Transportation Committee of the Grain Dealers National Association, then brought before the meeting a transcript from Southwestern Freight Bureau Docket Bulletin No. 371. The traffic matters discussed are covered in detail on Page 277, where Mr. Goemann's report is given in full.

Transposition of car numbers and weights, and lost weights due to mixing grain of one car with that of another, and due to mixing grain from car (being unloaded) with house grain, were discussed at length and it was agreed that the human element is the deciding factor in avoiding these unpleasant cases, but that "track tickets" properly checked are of prime importance.

"Test Car vs. Test Weights" brought forth much discussion and it was the consensus that a test car, sealed in the immediate territory on a master scales, would prove the best test, but that good results could be obtained with test weights provided a sufficient number were used.

P. P. Quist, state weighmaster, Minneapolis, suggested that when shippers' weight cards from another market were removed from cars and have served their purpose that they be returned to the market from whence they came in order to give the originating market an opportunity to check the weights as well as the destination market.

H. R. Clark, weighmaster Omaha Grain Exchange, brought up the question of allowing outside agencies to make monthly inspections and tests of scales in the houses where supervision extends by either a state or exchange weighing department. He stated that he

FEED DEALERS MEET IN BUFFALO

At the same time that the Grain Dealers National Association held its annual meeting in Buffalo, N. Y.,



PRESIDENT GEORGE W. HOYLAND

on October 19, there was held the annual convention of the United States Feed Distributors Association. The meeting had a larger attendance than usual and

representatives of some 60 feed houses were present. The principal business was transacted around luncheon tables, where members of mills, milling districts and mixers and jobbers gathered.

An informal meeting of the directors of the Association was held on the day preceding the annual gathering. It was decided to reduce the official staff to make possible a more compact working body. Instead of 20 directors, it was decided to have 12, and the number of vice-presidents was reduced from five to two.

ELECTION OF OFFICERS

J. P. Parks, of Kansas City, was chairman of the Nominating Committee, and along with him E. B. Ferrill, of the Early & Dandel Company, Cincinnati, and Samuel King, of King Bros. & Co., Philadelphia, served. The following officers were elected: President, George W. Hoyland, president of the Hoyland Flour Mills Company, Kansas City; first vice-president, L. C. Newsome, president of the Newsome Feed & Grain Company, Pittsburgh; second vice-president, M. C. Burns, president of the Traders Feed & Grain Company, Buffalo; secretary-treasurer, D. J. Schuh, Cincinnati Hay and Grain Exchange.

The following directors were elected for two-year terms under the new plan adopted at the meeting: George W. Hoyland, Hoyland Flour Mills Company, Kansas City; L. C. Newsome, Newsome Feed & Grain Company, Pittsburgh; D. G. Lowell, Washburn-Crosby Company, and O. A. McCrea, Pillsbury Flour Mills Company, Minneapolis; John Caldwell, Ralston-Purina Company, St. Louis, and W. O. Fehling, Samuel Bell & Sons, Philadelphia; for one year terms—M. C. Burns, Buffalo; V. M. Green, Green-Mish Company, Washington, D. C.; A. S. McDonald, McDonald Commission Company, Boston; J. W. Jouno, Donahue-Stratton Company, Milwaukee; E. C. Dreyer, Dreyer Commission Company, St. Louis, and A. L. Buxton, Kentucky Chemical Manufacturing Company, Covington, Ky.

had been approached on this question and that he had declined the particular agency permission to make these tests and inspections for the reason that as long as his department's weights were accepted as settlement and were considered correct he felt that it was a duplication of service and a slur on his department for them to come in. He further added that if any agency had reason for an investigation at any particular house, it would be a different matter and he would be glad to have them accompany his scale inspector and make an investigation. Considerable discussion followed Mr. Clark's remarks and it was the consensus that Mr. Clark took the right stand.

J. G. White, chief weighmaster, Board of Grain Commissioners for Canada, Fort William, Ont., asked the following question:

Responsibility for Differences in Weights

In the matter of differences in weights beyond a normal shrinkage in handling, between loading and unloading elevators on cross town or transfer cars weighed out, and in, under the supervision of state weighmen, and when on investigation, no errors in weighing and loading, or in unloading, elevating and weighing are found, and no signs of leakage are shown, and scales in both elevators are tested and found correct; what action should be taken or how should responsibility for the difference in weight between the two houses concerned be determined?

It was agreed that the answer to this question was that the terms of the contract in such a case as this would determine whether the loading or the unloading weight should be accepted in settlement.

Secretary-treasurer Harry W. Ewert read his report, which showed a balance on hand of \$155.80.

The following officers were re-elected: J. A. Schmitz, Chicago, president; P. P. Quist, Minneapolis, vice-president; and H. W. Ewert, Chicago, secretary-treasurer.

The meeting adjourned for luncheon, which was served to those in attendance in the same room.

Hints for the Elevator Millwright

"Big Bill" Davis Gives Some Good Advice Regarding Belts and Old Fashioned Shaft Bearings

By JAMES F. HOBART

BIG BILL DAVIS, the millwright of the Square Deal Elevator at Massapoag Lake, had gone to Georgetown for a few days to assist Mr. Leslie, who owned an elevator there. There had been complaint about several belts which had gone to ruin faster than they could be replaced, by burning at the edges, and other troubles. After examining one of the burnt edges, Davis remarked to Mr. Leslie:

"Here is one of the belts. It is an eight-inch single leather belt which drives a receiving elevator. We stop and start the elevator by shifting this belt from or to the tight pulley on the elevator pinion shaft, for the drive is a spur gear arrangement. See how one edge of the belt has been burnt? It is chafed and cracked for an inch or more along one edge only. The rest of the belt seems to be in perfect condition. Then, here's another belt which runs vertically, from cellar to top of the elevator and drives some light machinery there. This belt, as you see, is six inches wide, and one edge, on the outside, is chafed and burnt until the leather is crumbling. Now, here's a third belt which we have trouble with. It runs up through one floor of the elevator, from a shaft in the basement, and drives a shaft located close under the floor of the second story of the elevator. The edge of this belt looks as though it had been on a drunk with a circular saw and one edge as you see, is badly scraped, torn and 'chewed-up' generally. What do you think, Davis? What can be the cause of the trouble?"

"Can tell you better, Mr. Leslie, after I take a look around," said Big Bill, and, borrowing an electric light extension cord and globe he started upstairs toward the top of the elevator. A few hours later, Bill Davis walked into Mr. Leslie's office and asked Mr. Leslie to go into the elevator with him and give those belts the "once-over".

A BAD BELT-SHIFTER

"Just take a look at this belt shifter, Mr. Leslie," said Big Bill. "Seems to be a good and competent shifter, doesn't it? There is a good sliding bar and a long lever arranged to move the bar. Now, I will shift the belt to its working position, and as you see, it runs fair and square upon the tight pulley

and the belt does not even touch the shifter-pins while the elevator is working. The crown of the tight pulley causes the belt to 'track' perfectly upon that pulley.

"Now, I will shift the belt to the loose pulley, and for some reason, the belt does not track well, upon the loose pulley. Possibly that pulley may be crowned more on one edge of its face, than upon the other edge, instead of exactly in the middle of the face as it should be crowned. When I throw the belt shifter into position to guide the belt upon the loose pulley, as you see, the belt works back upon the tight pulley, and, to remedy this trouble, somebody has bored a hole and inserted a pin to hold the belt shifter lever in position to hold the belt upon the loose pulley. As you see—the holes and one stop are still there—there originally were pins or stops which prevented the shifter bar from being moved farther in either direction, than would properly shift the belt from one pulley to the other.

"The stop has been removed or lost, which checks the shifter-bar movement toward the loose pulley. This permits the shifter lever and the bar being thrown too far, and as a consequence, the belt rides against one of the shifter pins all the time the belt is on the loose pulley. As you see, the edge of the belt is forced into a corner between the shifter bar and a shifter pin, and there is where the edge of that belt is damaged by being scraped, burned and torn. Is it to be wondered at, that the belt-edge cracks? That pin which holds the shifter lever in place, holds the bar too far over, owing to the stop pin being lost, and here is where the damage is done to the belt.

"The remedy, in this case, is to overhaul the loose pulley, see that its crown is central and even, replace the stop in shifter-bar, and throw away the pin which now holds the shifter lever when the belt is on the loose pulley. As belt shifting arrangement which will not stay in place, when the belt is on either the tight, or on the loose pulley is not worth having, and has no place in a grain elevator."

A BELT-SCRAPER

"Now, Mr. Leslie, just take a look at this piece of fool engineering—or lack of engineering," said Big Bill, as he pointed to the slow-moving six-inch

belt which crept from basement to attic of the elevator. There are a couple of floor-thimbles around the belt holes on each floor, and if you will look closely, you will see pieces of sheet iron, or steel, bent inward, in two of the floor thimbles, bearing against the belt, and doing the scratching, scoring and burning which afflicts this otherwise fine belt. Why, that belt should run, doing the work it has to handle, for more than 30 years, absolutely without repairs or attention, other than keeping the belt clean and oiling it once in a while. Take the scrap metal out of those belt holes, Mr. Leslie, and you will have no more trouble with this long leather belt."

"As for that other belt, Mr. Leslie, just come down stairs and take a look at that transmission at the point where the belt guides upon its pulley, just underneath the floor. Here we are. Wait a bit, until I get this extension cord rigged and a bit of light upon the subject—and the belt. There! How does that look to you, for a 'belt killer'? See that nice, hardwood two-by-four-inch piece of lumber which has been spiked in place to make the belt guide improperly on the pulley? Some lunkhead nailed up that bit of two-by-two instead of properly aligning the shaft or, perhaps, instead of moving the pulleys into line with each other. That piece of hard wood has evidently been wearing out belts for you during a pretty long time, as is evidenced by the fact that the belt has cut the three by four inch scantling almost in two!"

"How did you finally locate the several causes, Mr. Davis?" asked Mr. Leslie.

"I had just one thing to guide me in the search, and that was the knowledge that a pair of properly aligned pulleys on parallel shafts, with the pulley-faces properly crowned, will receive the belt from each other so that it will track perfectly, without the use of any guides whatever, save the centrally placed pulley crowns. In my search, I simply looked to see that each one of these separate items had been cared for. It was only by looking closely, with the aid of the electric light extension, that I was able to discover the trouble with each of these belts—troubles so very simple that you cannot but wonder that they had not been found and removed long before this. Sometimes, the cause of poor belt service is more complicated. One instance comes to mind, in which a heavy machine, driven by a 10-inch belt over a 36-inch pulley, could not be placed in any position in which the belt would 'track' squarely upon the machine pulley from the driving pulley.

"Finally, after I had tried everything I calpered

the machine pulley, using for that purpose two steel squares such as are used by carpenters. One square was clamped to a bit of board for a fixed jaw to my caliper. The other square acted as the sliding jaw of the caliper. With the aid of this simple instrument it was discovered that the pulley had been badly crowned. While both edges of the pulley face were of the same diameter, the center, or high part of the crown, was about half way between the center of the pulley face and one edge thereof. After this pulley had been sent to the machine shop and properly crowned, the trouble disappeared entirely, and the belt tracked to the pulley—face center—and stayed there."

SOME OLD SHAFT BEARINGS

"Before you go away," said Mr. Leslie to Big Bill, "I wish you would look at some some shaft bearings down cellar. The bearings are probably very old ones, and I believe they were put in when the elevator was originally built. We have some trouble with those bearings. The babbitt linings wear out quickly, and sometimes one or more of these bearings give trouble by heating. Will you look them over, and let me know why they give trouble, and what should be done to remedy the trouble?"

"I have looked over those bearings," replied Bill Davis. "There are five of them, and they are old-fashioned rigid flat boxed, the cheapest of all shaft bearings to buy, and the most expensive to operate. There is an oil hole or two on each, and the cap carries on 'oil-puddle' big enough for a chicken feed-trough.

"The oiler squirts lubricant at these puddles occasionally, and they are collecting dirt and dust all the time. Here is one of them—a cap, which I removed, just now. Just dig down into the stuff in this oil puddle—here is the tang of a file for you to explore with. You find all kinds of dust, dirt and grit. Is it any wonder that such material, working into the bearing with the lubricant, should cut and score the bearing and the journal, and cause them to heat and wear out quickly?"

"What is the remedy? Just junk these old and obsolete bearings, and put in modern and more efficient bearings—roller bearings, by all means, if possible. However, if the old bearings must be used for a time, rebabbitt them, and fill the oil-puddle plumb full of babbitt metal, so no more dirt can ever collect in there. Then, drill and tap one or two oil-holes and insert short pipes or nipples, through which oiling is to be done. Slip a size larger pipe cap over the top of each oil pipe to exclude dust, and you will find that the old flat boxes will last much longer without needing rebabbitting, that dirt will be kept out, thus stopping the heating and cutting, and also, increasing the efficiency of the bearings by reducing their friction.

"Just as soon as you can afford it, place a wick-oiling cup on top of each pipe, and do the oiling through these cups. The wicks will cause a pretty regular feed of lubricancy, and only a small fraction of oil will be required in comparison with the amount now daily wasted in, upon and around these five old bearings. There is, however, just one thing against the wick-oiler—it feeds just as much oil while the shafting is not running, as when it is in operation. But, even then, the wick-oiler is far better than a squirt of oil now and then, at an oil-hole more or less filled with dirt. You can put in ring-oiling, or chain-oiling bearings, if you prefer."

DUPLICATION OF EFFORT FORECAST AS RESULT OF CO-OP BUREAU

The United States Department of Agriculture, through the new bureau created by Congress, is now to give the same close attention to the co-operative marketing of wheat and other farm products as has been extended to the problems of crop and stock production. Inasmuch as several states already have bureaus devoting all their time to this subject, much duplication of effort is unavoidable, but Secretary Jardine's department is deter-

mined to make the work of the new division as worthwhile as possible.

Business technique and marketing methods developed by farmers' co-operative enterprises will be given close scrutiny by a staff paid from the funds provided by the liberal appropriation. Dissemination of grain crop information will be among some of the old services rendered by the new department. It is also planned to supply co-operative organizations data regarding price trends and price analyses.

KANSAS ELEVATOR ADDS NEW WAREHOUSE

As the problems involving markets, transportation, finance and taxes are worked out, the individual farmer, as the individual in other industries, can rest assured that the degree of his success, hereafter, as heretofore, will depend on the brains mixed with the business. In the avalanche of panaceas, cure-alls and remedies that has descended upon us to confuse, mystify and disturb, we must not lose sight of the most essential thing of all—individual responsibility in improving conditions through matters largely under individual control and with the legitimate means at hand.

Not the least important of the factors at hand are the means for orderly marketing, in which category the country station elevator and its operator are a primary necessity. Out in Kansas, where condi-

enced grain men who are establishing an enduring trade in grain on the rock bottom of fair dealing.

The Soo Line runs through Sanish and along its tracks the 30 by 35 elevator stands with 18 crib compartments capable of holding 30,000 bushels. Sanish is in Mountrail County, one of divisions made of the old Indian Reservation in that state. Some grain has always been raised in this section from era of the redmen up to the first decade of this century when it was still Indian land. Comparatively recently, however, grain growing has become a popular pursuit, and Sanish is in the center of a grain district which offers great promise. Even now, the volume moving through the Farmers Independent Elevator Company's house is of such proportion that business is good. The investment in the fine plant and equipment has been justified already. This company in time will be known as one of the pioneer institutions of the northwestern North Dakota grain trade.

The receiving capacity of the Sanish elevator is 3,000 bushels per hour, and discharge into cars can be effected at the rate of 2,100 bushels per hour. Excellent cleaning facilities are provided at the plant, and the dockage is removed by a cleaner with a capacity of 3,000 bushels per day. A 25 horsepower gasoline engine now furnishes the power for the elevator equipment. Rope drive with clutch control, is used for the power transmission.

A Strong-Scott Dump is used at the unloading end of the operations, in connection with the Fairbanks



LEE REICHAUT'S GRAIN WAREHOUSE AT VALLEY FALLS, KAN.

tions have consistently improved, are numerous country houses contributing their unobtrusive but vital share to the general economic progress. Among them will be found the elevator of Lee Reichart, located at Valley Falls, Kan. A warehouse has been added to the elevator at this station.

The warehouse shown in the illustration on this page was only recently completed. This building is used for storage of flour and all kinds of sacked grain, and is owned, as well as operated, by Lee Reichart, who also owns and operates the adjoining elevator.

This warehouse structure measures 80 feet in length and is 24 feet wide. The entire ground area serves for one room, the only partitions being those which separate Mr. Reichart's office, and this office is located in the front part of the building. It is 24 feet in length and 12 feet wide. The warehouse is a tile structure and precautions have been taken to make it as nearly completely fire resistant as possible.

FIRST BIRTHDAY OF THE SANISH ELEVATOR

A year ago this fall, W. E. Vandyke, of Berg, N. D., Joseph C. Folven, and E. L. Folven, of Watford City, N. D., organized the Farmers Independent Elevator Company, of Sanish, N. D. The firm is incorporated under the laws of the State of North Dakota, and this harvest period represents the first corporate birthday of the founders of the business. Although a young company, it is run by experi-

Receiving Scale. A shipping scale of suitable size is also provided. For fire protection, extinguishers and buckets are placed at all points throughout the plant where they may be needed.

Flax, as well as wheat, rye, oats, and barley are handled by the managers at Sanish, and a substantial amount of all these grains have been handled this year.

MENNONITES HONORED

About a decade after the close of the Civil War, Kansas was growing the worst, instead of the "best" wheat in the world. Hard wheat was being grown in spots, but not enough to write the governor about. Then the Mennonites came, German-Russian settlers from Crimea. With them they brought 24 bushels of the seed wheat they had been growing in the land of the Czar. It adapted itself to Kansas climate and grew abundantly. Within 10 years seed was being imported from Crimea to be sold to other American farmers. That Hard wheat from Crimea started Kansas on its way to fame as a wheat state.

Recognizing the important part which the early Mennonites played in the states' development, many demonstrations took place in their honor this fall season. In the most-central section of Kansas, the golden-jubilee of the pioneers took place.

THE exceptional drought in Spain the latter part of September and early in October resulted in the yield of the corn crop being very limited.



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ADVERTISING.

This paper has a large circulation among the elevator men and grain dealers of the country, and is the best medium in the United States for reaching persons connected with this trade. Advertising rates made known upon application.

CORRESPONDENCE.

We solicit correspondence upon all topics of interest connected with the handling of grain or cognate subjects.

Official Paper of the Grain Dealers National Association and of the Illinois Grain Dealers Association

CHICAGO, ILL., NOVEMBER 15, 1926

ONLY ONE COMPLETE REPORT

NOT every year do you have the privilege of turning to the report of the Grain Dealers National Convention, and finding there an adventure story. A soldier of fortune, and of misfortune, tried to make the grain dealers assembled at Buffalo, N. Y., forget grain for an hour or so, and live in the interesting world of the Adventure Dealers International Association. He succeeded. It was appropriate that this type of address be included in the program as a balance, for in no year has the national convention had a schedule more replete with strictly practical, informative talks than it had this year.

The illustrated report in this issue, by the way, is, as usual, the only complete record obtainable of the national convention. It contains a reliable summary of an important year's work in the grain trade, and the cream of a year's thought by some of the best minds in the business. To be well informed, a not too hasty perusal of the report, is necessary.

CORN PRODUCT HEARING

BELIEVING that many of our friends in the grain trade may be greatly, though indirectly, affected by the cream meal hearing pending in the national capitol, we take this means of calling attention to the date and object of this public discussion. Cream meal, a corn product, is to be the subject of this hearing before the Food Standards Committee on November 30, at 10 a. m. at the Bureau of Chemistry, 216 Thirteenth Street, S. W., Washington, D. C. All interested persons are invited to attend or to submit infor-

mation in the form of a brief, with respect to the methods of manufacture, and composition of this product, for the purpose of establishing a proposed definition and standard for this product.

It has been suggested that the definition idea is nothing but a scheme of "the big fellows", and that if it is adopted officially, the small corn mill and the small elevator which supplies it, will both be up a tree with Federal inspectors barking harshly beneath. We believe that a definition, if fair, never hurt anybody. However, now is the time to air your views on the matter, on whichever side you are aligned. The hearing is for the little fellow, the big fellow, the miller, and the grain man alike.

ONE-HALF OF 1 PER CENT

ANALYSIS of the Federal corn report released just before Armistice Day, discloses that it is not bearish as many anticipated. In fact, if it is actually on one side or the other of neutral, it is slightly over one-half of 1 per cent bullish. The nine surplus states have an indicated yield less than last month, and a third of billion bushels less than last year's harvest.

The crops in the Quaker State, in Indiana, and in Ohio, which were largely responsible for the limited eastern demand last season, will not be potent factors this year, that trio of states having an aggregate of 381,000,000 bushels, against 451,000,000 in 1925.

The increase of 14,000,000 bushels, indicated in the November report, a rise of only one-half of 1 per cent in the estimate, is due to the comparatively heavy Minnesota and South Dakota crops. Quality as well as quantity will tend to establish the December trend, and in this connection it is well to remember that Iowa and Illinois, the quality corn states, are off 130,000,000 bushels from last year's crop total.

OPPORTUNITY KNOCKS AND GETS IN

ELEVATOR operators in Kansas have not been slow to grasp the advantage (or the unfair advantage, as New Orleans naturally sees it) of the new rate to the Port of Galveston, Texas. The Red Star Milling Company, of Wichita, Kan., for example, is now receiving bids for the construction of an additional 1,500,000-bushel wheat storage plant. The 78 100-foot tanks will make it possible for the company to handle well over 2,000,000 bushels of wheat when the 1927 harvest rush begins.

The reaffirming of the port differential decision by the Interstate Commerce Commission, making the rate to Galveston from the Wichita territory three cents less than the rate to the Crescent City's docks, is directly responsible for the building activity. The decision made it quite evident that it is desirable to build storage capacity in southern Kansas at once to take care of the southern Kansas farmers whose grain and flour could be profitably shipped directly south to the Gulf under the new conditions.

The use of the combine to an increasing ex-

tent also aided the decision of the Red Star Company and others, to increase elevator capacity. For the use of this invention throws a huge burden upon the elevators at the beginning of the harvest season. The result is that country elevators are forced to ship out enormous volumes to keep clear for more wheat to come. It is very desirable that this wheat should not have far to move before being stored in elevators of a type suitable to protect it from damage to the fullest extent.

Mills and public elevators of southern Kansas now control capacity for 19,000,000 bushels of wheat. The mills are able to grind 6,500,000 bushels per month, of which Wichita handles 1,300,000. Southern Kansas produces an average of 65,000,000 bushels of wheat each year. Further elevator building might well be considered in view of these figures.

CANADIAN PATRIOTISM

ONLY Canadians with a knowledge of half the facts in the case, will continue advocacy of the principle that all Canadian export business should go through Dominion ports. Shrewd grain men in this country and above the border know that any restrictions placed as artificial barriers to bring about such a revamping of trade routes, would probably have serious consequences. An increasing share of American business is coming through Canadian ports both as imports and exports.

For instance, Montreal last year handled 80,000,000 bushels of grain from the United States, and \$180,000,000 worth of other goods from these states made their way through that port. Vancouver imported in excess of \$75,000,000 worth of Oriental goods en route to this country, while St. John, N. B., obtains one-third of its export business from the United States. We do not begrudge our friends, the Canadians any revenue thus acquired, provided their patriotism does not lead them to action that would start the unravelling of a trade fabric that is important to general prosperity both north and south of the international boundary.

FIRE'S SINGLE VALUE

FLAMES shot through the almost fire-resistant conveyor bridge into the top of the concrete grain tank section where a number of windows had been left open, causing considerable draft. The grain in the concrete tanks was readily ignited and burned freely. Late in the afternoon, fire fighting forces were augmented by two engines from a nearby town, one of which directed its attention to the fire in the elevator proper. The fire was then burning in the lower cribbed and slow-burning part of the elevator which collapsed toward evening.

A Kansas elevator destroyed by fire a few months ago, is gone but is not forgotten by the National Fire Protective Association, which has published a four-page analysis, from which has been drawn the above paragraph and the following conclusions with which every operator should be acquainted.

First: Frequent inspection should be made

of isolated parts of plants if hazardous machinery is located in such places. If an oiler had made his regular rounds which would have included the machinery in the cupola, and on his leaving the watchman had commenced his rounds, the fire would probably have been discovered early enough to have been extinguished by first aid appliances.

Second: Conveyor galleries should be cut off by standard automatic closing fire doors and shutters on both sides of walls.

Third: High buildings should be provided with outside means of ingress, such as permanently attached iron ladders to permit the closing of windows and doors at communications to other buildings and the fighting of fires at the time of their incipency.

Fourth: Grain bins in all types of buildings should be tightly decked with the same material used in the construction of the buildings.

Fifth: Hose couplings should be standardized so far as possible in order to enable outside assistance to operate with as little loss of time as possible.

Sixth: The wooden shingle should be eliminated as it spreads fires too fast for a fire department to cope with them.

The single value that elevator fires have, is the spectacular demonstration of what not to do when building elevators. Cash in on that solitary asset.

EDITORIAL MENTION

There's a feed salesman sitting on your desk now—the telephone. Put him to work on your sidelines the next rainy day.

For every Democratic senator that may align himself with equalization fee proponents, there will be one Democrat and two Republicans to cancel his vote.

The harvest is not over as far as the railroads are concerned. An unprecedented freight traffic continues to be handled by them. Grain still heads the list, with coal and livestock following.

The Canadian Wheat Pool has paid the last installment to members. They received about as much or slightly less than non-pool growers received, proving that the pool as an exclusive profit club, is not of much account.

There seems to be a persistent dwelling on the fact of Russian grain statistics being unreliable. They are. The unreliability is hardly a Slav characteristic though. Such a thing has happened as our own 100 per cent United States crop estimators erring, and erring considerably in wheat, corn, and cotton all in the same year.

Proof that McNary-Haugen schemes have had their day lies in the fact that none of the newly elected senators were chosen with grain surplus relief as a talking point. No congressmen were repudiated solely for their

stand on farm relief. As an issue, especially for a short session, it is dead. The sponsors of the "also ran" issue, however, are not taking defeat gracefully, and we have not heard the last of their post-mortem exclamations.

A timely frost warning sent out by the Des Moines, Iowa, station of the Weather Bureau saved much Iowa seed corn that otherwise would have been lost. The weather man is an untiring sentry for the grain trade to whom gratitude is continually due.

Galveston as well as Houston, Texas, is planning increased and improved port facilities for grain. The idea that the South, industrially, is fundamentally lazy, or at least, leisurely, was knocked in the head long ago by the evidence of southern and particularly southwestern aggressiveness.

Two days after Thanksgiving, the International Hay and Grain Show starts in Chicago in connection with the Live Stock Exposition. It is an exhibition which all grain men within striking distance of Chicago, should make a point to see, not once, but annually.

During the first 10 months of this year we have imported wheat for consumption from Canada in a volume equal to less than one-third of the amount brought in during the single week ending October 31 last year. You'll have to read that twice to appreciate it. It tells the story of this year's large crop, though, better than a parade of figures.

In this inventive age, with its telephones, electric lights, safety razors, and aeroplanes, it is indeed strange that we do not have box car doors that will open and shut correctly without axes and sledge hammers. Weighmaster Schmitz's observations on this point on Page 301, are interesting. For car builders, they should also be suggestive.

The total stocks of wheat held September 30, by mills reporting to Washington, D. C., amounted to 124,773,240 bushels. (Mills reporting represent 87.4 per cent of our flour output.) Of that total 83.2 per cent was in private terminal elevators, in transit, and in mills and mill elevators attached to mills; 9.7 per cent in public terminal elevators; and 7.1 per cent in country elevators. These mills reported stocks of wheat flour in all positions—in mills, in warehouses, and in transit, sold and unsold—as 4,217,165 barrels. Considering the probable amount of flour sold ahead, the total wheat stock figure is low, although it is high compared to the previous year.

On Page 280, is a picture of a man with a megaphone. It was taken of him as he was announcing the various mills and elevators along Buffalo's waterfront, to a boatload of visiting country shippers and terminal market men. As in most other grain centers, the elevators which had their names on them were few and far apart. A patient friend with a megaphone was the only way out for the visitors. Just why grain men, as a class,

let advertising space stand idle in this day of billboards, is one of our unsolved mysteries. It is not because we are too prosperous. Many veteran grain men are amateur advertisers, and as far as publicity goes, continue to bicycle through an aeroplane era.

It is a custom of Kansas bankers to tag their deposits "wheat money", "cattle money" *et al.* This year, many of the cash guardians, including the bankers at Liberal, Kan., ran out of the "wheat money" tags and had to have more printed. Senator Capper is going to run into difficulties if he tries to specialize in farm distress appeals before the December session of Congress.

The November elections swept away Republican control of the Senate. Apparently the balance of power lies in the votes of a small radical alliance in which the younger La Follette may figure prominently during the short session of Congress in December. Practically, however, that alliance can never weigh heavily when the inevitable McNary-Haugen Bill comes up to be shot at.

Down to the sea in ships, hopes the Mississippi Valley Association, will go an increasing tonnage of grain and all other middle-western produce, over our inland waterways. The eighth annual convention of that organization will be held in St. Louis, Mo., November 22 and 23. The railroads which some claim will be hurt by water transportation development are offering, strangely enough, special low fares on those dates.

Like wheat rust and price cutting, we will always have equivalents of McNary-Haugen Bills with us as trade evils, troublesome to be sure, but never getting entirely out of hand. Alarmists are now worrying about the talk of Federal control of cotton surplus. An alliance between legislators favoring such a measure and those favoring McNary theories, is not probable, although it is possible, academically speaking.

More than a month has passed since J. Ralph Pickell, chief of the "Round-up" price forecasting college, asked some interesting questions of the Chicago Board of Trade. And no public answer has been forthcoming. Among the unanswered questions in regard to the charge against the Armour Company, are:

If you, as president of the board, saw the report containing specific evidence of criminality, did you act immediately?

Would you like to have me print that report and at the same time explain why you failed to act on it until about five months later?

Can you tell me how five cars of rye were loaded out of the Northwestern Public Elevator, when, according to records, there were but 593.22 bushels in the elevator.

Do you know that it seems to be only the Chicago Board of Trade among the exchanges, that condones criminality?

The questions probably will remain unanswered because board officials have "considered the source" and let it go at that. There is a certain pertinence, however, as well as impertinence in the questions.

B. C. MOORE
Kansas City

NEWS OF THE TERMINAL MARKETS

W. H. DEVORE
Toledo

TO SUPERVISE GRAIN FUTURES

A new Business Conduct Committee has been created on the New York Produce Exchange which was made necessary under Rule 23 of the Department of Agriculture's regulations bearing on grain futures trading.

The personnel of the committee which was appointed by President B. H. Wunder, consists of the president as chairman, Axel Hansen, Walter Moore, J. Barstow Smull and J. O. Wade.

Through the activities of this committee, anything which hints at all at unbusinesslike or unethical practices, in connection with grain futures trading on the exchange, will be checked up immediately.

COMMISSION MERCHANT LAW VALID

The Missouri Supreme Court has rendered a decision against the Kansas City Hay Dealers Association which brought an injunction suit on October 11 to contest the validity of the state Commission Merchant Law, passed in 1925.

The law was held unconstitutional by the hay dealers because it sought to interfere with interstate commerce, that it enforced an expensive and burdensome duty upon merchants in extra book-keeping, and that it would disclose information which would be of value to competitors, but the court held otherwise.

PEORIA CORN ARRIVALS HEAVY

The Peoria market has been doing nothing of consequence in wheat.

Up to a few days since we have had a large daily arrivals of corn. So much in fact that elevator room is full and industries have large stocks on hand. The congestion here caused a decline in prices so that we have been out of line for several days and are still in the same fix. There is very little demand here at the moment for the old grades of corn but the old Sample grades have met with a good demand. New corn has been moving here in small proportions—right now we are getting six to eight cars daily. This is meeting with a good demand at prices that, so far, are relatively higher than other competing markets. We need very light

arrivals of all corn for a while so that our market may shape itself and be in line with other markets.

The movement of oats into Peoria has been very much like the movement into most of the other markets—it has been very light. There is only an occasional car of No. 2 White or No. 3 White oats—most of the arrivals being No. 4 White and Sample Grade. The demand has been good and prices here are relatively as good or better than other competing markets.

The industries at Peoria are using around 70,000 bushels corn daily but at the moment they are not buyers to any extent on account of the large accumulation on their hands. It will not take long, however, to put the situation into good shape. Under such conditions as we have had in corn it is not strange that the larger part of the trade feel bearish on it. We do not think that farmers will hurry off their crops on present basis.—P. B. & C. C. Miles, Peoria, Ill., in letter of November 8.

GEORGE E. MARCY RETIRES

George E. Marcy, chairman of the Board of Directors of the Armour Grain Company, has retired. He sold his seat on the Board for \$6,800, posted the membership for transfer, and will go to California to take care of his fruit ranch interests.

Mr. Marcy was president of the Armour Grain Company for 20 years, preceding his election as chairman of the Board in July of last year. He began his career in the grain trade as roustabout in a small flour mill at Lockport, Ill. His industry, keen mind and remarkable memory caused his rapid rise, and when he came to Chicago with the Rogers Grain Company he was equipped to make a name for himself quickly. Philip D. Armour recognized his ability and offered him a position and he has been with that firm ever since. He is 62 years old, and has held a dominant place in grain trade counsel for many years.

PACIFIC COAST EXCHANGES MAKE PLANS

The grain committees of the Seattle and Portland Exchanges met recently and formulated plans which will have great effect upon the trading on both the exchanges. One of the rules specifies a basis for protein tests and the other defines the territory from which Big Bend Bluestem wheat may originate.

Under one ruling, protein determinations shall be based on the natural moisture in the wheat. Under the other, the geographical limits from which Big Bend Bluestem may be shipped to be applicable on contract are defined as Lincoln, Adams, Franklin, Grant and Douglass Counties in Washington.

CONGESTION AT VANCOUVER

The Merchants Exchange and the Board of Trade of Vancouver, B. C. have requested the railways to revive the permit system on grain as a result of congestion at the port elevators. The formal request followed a conference attended by Col. G. H. Kirkpatrick, S. L. Prenter, K. J. Burns, representing the Harbor Board; F. E. Burke, president and R. McKee, vice-president of the Vancouver Board of Trade; J. E. Hall, president, R. D. Williams, vice-president and H. R. MacMillan and D. M. Cameron, executive of the Vancouver Merchants Exchange; C. Coe representing the Canadian Pacific Railway and A. Munsey and Lorne McCutcheon, the Canadian National Railways and O. Z. Buchanan, the

Canadian Co-operative Wheat Producers, Ltd.

It was reported at the meeting that elevators are nearly filled to capacity, the railways have enough on tracks and en route to more than fill the houses, and the ships reported for the immediate future are not sufficient to handle the volume. There is also certain delay in handling, caused by the necessity of drying damp and tough grain, it is stated. At present wheat is running nearly 50 per cent damp and tough.

GRAIN DEALERS FOUND GUILTY

The case of John H. Bell and the Bell Grain Company of Nashville, Tenn., who were charged with violation of Section 5 of the United States Grain Standards Act, has been brought before the Department of Agriculture which has found that the shippers had represented in invoices that grain shipped was of a different grade than that certified by a licensed inspector.

The findings set forth that, notwithstanding the fact that the corn and oats had been officially inspected and certificated by a licensed inspector, the shippers represented by means of invoices that the grain was of a different grade.

GRAIN CARGOES

The greatest number of bushels of grain shipped in one cargo from Milwaukee this season was 390,718 bushels of oats on the *Morris S. Tremaine*, which cleared for Buffalo on July 19. The same steamer also carried the largest load of wheat, 259,500 bushels, on August 21. The best load of corn went out on May 6 in the *W. E. Fitzgerald*, 248,100 bushels.

BALTIMORE GRAIN MEN PROTEST

Baltimore grain dealers are dissatisfied with the ocean tonnage available for wheat, and at a special meeting of the Board of Directors of the Baltimore Chamber of Commerce the following resolutions were adopted and ordered sent to the United States Shipping Board, the Maryland senators, and others who might be interested:

Whereas there are at present in the elevators at Baltimore about 3,500,000 bushels of wheat, grown and largely owned by the farmers of the United States; and

Whereas, There are in the territory tributary to

BEREND J. BURNS
Berend J. Burns, Inc., Buffalo, N. Y.ARTHUR H. LEESON
Leeson Grain Company, Inc., Buffalo, N. Y.

Baltimore millions of bushels of wheat still unmarketed by the farmers which wheat must either be sold to Baltimore, or to mills at a price based on the Baltimore market; and

Whereas, Owing to scarcity of ocean tonnage wheat in Baltimore is now selling under a party of other markets where there is an abundance of tonnages; and

Whereas, The United States Merchant Marine exists primarily for marketing the products of the United States to the benefit of its farmers; therefore be it

Resolved, That the Baltimore Chamber of Commerce bring these facts to the attention of the Shipping Board, and pray that it remedy this condition, so far as lies in its power, by furnishing the necessary ships, to the end that our farmers may not be obliged to sacrifice their wheat for lack of necessary transportation facilities to foreign markets.

DEMAND FOR GRAIN ACTIVE

There seems to be an unusually active demand here for wheat, corn and oats and the capacity is much greater than the present run of receipts can fill. We mentioned previously, we will have a large new elevator going here very soon and this can take care of about 1,750,000 bushels of grain. There will be more active merchandising done than there has been heretofore and we feel very optimistic as to the future prospects for marketing grain in Milwaukee.—E. P. Bacon & Co., Milwaukee, Wis. Market letter of November 10.

DEALERS ENDORSE NEW WHEAT MARKET

"The New York Wheat Future Market," said the *New York Journal of Commerce* on October 22, "met with strong endorsement from the large group of members of the Grain Dealers National Association who visited the Produce Exchange yesterday. The forms of contracts for domestic and Canadian wheat, the method of trading and the fact that deliveries are made at Buffalo were heartily endorsed by the visitors, who are returning from the convention of their Association at Buffalo, which ended Wednesday."

President B. H. Wunder, Secretary W. C. Rossman and other members of the Exchange showed the visitors about the trading floor, explained to them the operations of the wheat futures ring, how trading is conducted in cotton seed oil and other commodities. It was the first time that many of the members of the Association had visited the Exchange and they expressed surprise at the extent of its activities.

The delegation of 40 members of the New York Produce Exchange, who attended the Buffalo convention, made the return trip in special cars over the Lehigh Valley Railroad, well pleased with their reception up the state.

"The people of Buffalo realize that the New York Wheat Futures Market is going to mean a big thing for their city," said T. Harry Story, chairman of the delegation, "and the grain and elevator interests there are co-operating in every way to make the market a success. As our market develops it will mean millions of dollars annually in increased grain business between Buffalo as a shipping point and storage point and New York City as a trading center."

Among the out of town dealers who visited the market were: J. P. Parks, Kansas City; T. A. Bryant, St. Louis; J. Smith, Chicago; A. B. Taylor, Milwaukee; W. B. Kellogg, Minneapolis; J. W. Rice, Minneapolis; W. A. Dean, Auburn, N. Y.; R. A. Kelly, Kansas City; A. Kempner, Chicago; R. Joebyes, Germany; F. Rogers, Shamokin, Pa.; T. D. Jones, Norfolk, Va.; E. Mogoriner, Springfield, Mass.; C. A. Noland, Kansas City; G. O. Bryant, Chicago; E. Ehler, Akron, Ohio; E. Jobe, Minneapolis; A. Goldschmidt, Berlin; W. C. Bolle, Rotterdam; T. M. Corbin, Kansas City; C. Dienst, Frankfurt, Germany; H. Turner, Mobile, Ala.; H. C. Pohlzon, Chicago; J. S. McCall, Minneapolis; G. S. Colby, Houston, Texas; N. J. Peterson, Houston, Texas; R. C. Gordon, Chicago; J. Shuster, Toledo, Ohio; J. Green, Boston; J. P. Hessburg, Minneapolis; E. A. Fisher, Chicago; G. Booth, Chicago; C. C. Chenske, Beaumont, Texas; N. L. Shactman, Baltimore; D. G. Lowell, Minneapolis; F. Pourll, Denver, Colo.; C. K. Codman, Buffalo;

D. R. Codman, Buffalo; H. E. Kenny, Indianapolis; J. L. Mallette, Montreal; T. Morton, Toronto; W. J. Bowland, Toronto; C. P. Sturgis, Lake Placid, N. Y.; A. W. Mears, Baltimore; D. L. Boyer, St. Louis; J. E. Peterson, Cleveland; D. Dare, Detroit; C. Simmons, Washington, D. C.; C. H. Short, Montreal, Canada; K. Mihely, Hungary; W. R. V. Biddulph, Montreal; G. Suyom, Knoxville, Tenn.

ILLINOIS CORN SHOULD BE HELD

Another week of Excelsior Brand November weather has been furnished us; farmers very busy threshing wheat and oats, fall plowing caring for soy beans; hauling off old corn and gathering in the new.

There has been a keener desire no doubt, on part of owners of the 1925 crop of corn, to market same recently on account of the prevalence of so many damaged grains, making it dangerous to carry the worst of it in cribs longer. That section of the corn belt south of Decatur has pretty well shipped out reserves of old corn, but as one travels further north you find rather larger stocks on hand. Some mills are already looking around for a supply of this old dry corn for December and January shipment.

We are hoping that owners of the corn will not press same for sale until present stocks of the old are better taken care of, believing that in the end



H. I. BALDWIN

Because of illness, Mr. Baldwin missed this year's meeting of the Grain Dealers National Association—the first in 22 years.

there will be a demand for all the corn in sight—So patience is the word for the present, particularly in view of the severe decline of recent weeks.

All hands are watching returns from the corn huskers these days, some are as varied as can be. Some favored localities will crib more corn than last year, but the general reports from Central Illinois show a yield of at least 10 bushels per acre less than last year and that the percentage of damaged ears will be fully 5 per cent.—H. I. Baldwin & Co., Decatur, Ill., from recent market letter.

GOOD PRICES FOR NEW CORN

Wheat: Movement of this cereal has been very light the past 30 days. Quite a lot of it has just been threshed lately and it's in very poor condition, but farmers are doing their best by handling in bins at home, to make it fit for use of some kind. Good wheat seems to be very scarce in territory tributary to this market and the poor wheat is not much sought after in any market. The growing crop of wheat is doing very nicely, but considerable of it was planted very late and will no doubt make a short crop next year.

Corn: Farmers have been heavy sellers of old corn the past 30 days and receipts in all markets east of the Mississippi River have been heavy and

in some cases almost burdensome. Cash prices have gone down, discounts have been very large on off grades, but terminal markets have taken care of it in a wonderful manner, as the carrying charges have been so that it will be profitable for everyone who has engaged storage space, although now its getting very hard to obtain. This market has kept pace on prices and low grades were especially well taken care of at good relative prices with other markets. This market in the past week has received quite a little new corn and ruling prices have been higher here than in any of the markets east of the Mississippi River. Condition of the new corn so far received has been better than expected, while the moisture contents has been from 22 to 30 per cent, damaged content has been wonderfully surprising, only being from 3 per cent to 8 per cent, this is much better than the early arrivals last year. Later on we will receive some that has been flooded, this will show very heavy damaged contents, but it will be saleable here to industries, after being kiln dried. This will be the best market for this class of corn.

Oats: Movement of oats the past few weeks has shown some increase, but not enough to hurt the price, they being used up about as fast as they are received. Threshing, while almost completed, is still going on in territory tributary to this market. While some of the late arrivals have been very poor, some have been surprisingly good, considering that they have been in the field since August and have been rained on almost continually until about two weeks ago. This market has taken all arrivals at prices which compare favorably with all markets.—Recent letter from the Mueller Grain Company, Peoria, Ill.

GRAIN FUTURES TRADING PERMITTED IN MISSOURI

The Federal Court at Kansas City, Mo., last month, filed a judgment against North Gentry, attorney general of Missouri, in favor of the Kansas City Board of Trade and the St. Louis Merchant's Exchange. Mr. Gentry tried to enforce a state law prohibiting future trading which was enacted in 1907, but the two exchanges filed an action last February asking that a restraining order be issued to prevent enforcement. The recent decision was the result of that action.

VOLUME OF GRAIN FUTURES TRADING IN OCTOBER

The volume of future trading for October on the Chicago Board of Trade was notable for the small amount, as reported by the Grain Futures Administration. The total for all grains was 1,289,537,000 bushels compared with 1,380,767,000 in September and 1,704,504,000 in October of last year. The total of October trades for the various grains was as follows, for purposes of comparison the September totals for each grain is given in parentheses—wheat 901,279,000 (942,762,000); corn 316,377,000 (341,648,000); oats 52,630,000 (70,514,000); rye 17,251,000 (25,843,000).

The average open contracts in futures, "short" side only, for October were — wheat 100,156,000 bushels compared with 102,235,000 in September and 111,016,000 in October 1925; corn 54,427,000 bushels, as against 46,760,000 in September and 46,647,000 in October of last year; oats 49,162,000 bushels, compared with 46,899,000 in September and 49,720,000 last October; rye 13,823,000 bushels, as against September 12,814,000 and October last year 11,869,000.

DEMAND HOLDS UP AT TOLEDO

Toledo has recently experienced liberal receipts of cash grain, especially corn and oats. Although the demand for coarse grain has dropped off considerably, the trade as a whole have made very satisfactory sales for all their shippers. Receipts of wheat in the last 10 days have dropped off, but millers have been continually in the market taking care of all new arrivals.

The cash demand for No. 2 and No. 3 Yellow corn continues good. However, the Mixed variety appears to be difficult to dispose of, especially at

the present time. Oats are not improving as far as quality is concerned. However in a few sections they seem to have a pretty good class of this cereal, grading mostly No. 2. Demand continues to hold up very well.—Recent letter from J. F. Zahm & Co., Toledo, Ohio.

DEMAND FOR WHEAT GOOD

During the past few days the demand has been very brisk for top grades of Spring wheat and as a result premiums have had a slight advance.

The demand for milling Durum has been especially good although premiums are off a little from the recent high point.

Very little corn offering in Duluth. So far this year none of the elevators has been buying so all receipts are going direct to the feeding trade.

There has been an excellent demand for good feeding oats during the entire fall, fancy premiums being paid for quality. Receipts have been small for the past month.

Understand the convention at Buffalo was quite a success this year. The writer is sorry he was unable to attend.—White Grain Company, Duluth, Minn. Market letter of November 11.

LOW GRADE CORN CREATES PROBLEMS

There has been a pretty good run of corn to this market from country points and lower grades continue to be quite a problem. There is more corn grading No. 3, 4, 5 and 6 and sample coming into the market than any time for months.

This lower grade corn is selling at considerable discounts under No. 2. Our market has been in line with other markets as far as values are concerned and stocks are just about the same as a week ago. There has been really quite a constant demand for the better grades of corn. Some shippers asking for prices on new shelled corn, but from what information we can obtain it is not in good condition for forwarding and there does not seem to be much inquiry from buyers for new natural or dried new corn.

Receipts of oats have been on the increase and country offerings free. There now seems to be some No. 2 White oats being offered from country points and a general disposition to sell all grades of oats. Buyers seem to be about saturated with the lower qualities, and discounts on this class of oats are becoming wider. However, generally speaking our market is in fairly good condition but a decided decrease in demand noted on oats the past week.—Harper Grain Company, Pittsburgh, Pa. Market letter of November 9.

CHANGES IN MEMBERSHIP

Baltimore.—John William Craig and Herbert F. O'Dell have been elected members of the Chamber of Commerce.

Chicago.—The memberships of the following on the Board of Trade have been transferred: Estate Clarence T. Mears, Estate Thomas A. Black, John Terborgh, George M. Nicoll, Dawson L. Huff. Memberships have been granted to: Percy H. Ginder, Samuel P. Mason, Frank B. Woltz, Perry E. Gregory, and Arthur John Pollak. Reported by Secretary J. J. Fones.

Cincinnati.—H. C. Shofstall is a new member of the Grain & Hay Exchange.

Kansas City.—C. D. Sturtevant of Omaha has applied for membership on the Board of Trade. He bought the membership of Paris J. Keyes for \$10,000. Arthur S. Walters has been admitted to membership.

Milwaukee.—John H. Haertel with P. C. Kamm Company has been elected to membership in the Chamber of Commerce and the membership of George E. Marcy has been transferred.

Minneapolis.—Charles C. Austin has requested his membership in the Chamber of Commerce transferred to J. C. Wyman. The membership of John H. Manning has been transferred to Edward H. Russell. The membership standing in the name of Clarence Mears of the Itasca Elevator Company has been transferred to Walter Stranger.

New York.—Regular memberships have been granted the following on the Produce Exchange: William E. Power, Harry C. Rice, R. Siedenbergh, Jr., and Cornelius A. Whitenack. Associate memberships were given to William H. Dausey, Gerald A. Fagan, James W. Maxwell, Joseph A. Michel and John J. Moeller.

St. Joseph.—Frank L. Driver is now a member of the Grain Exchange. He will act for the account of the Trans-Mississippi Grain Company on the trading floor.

Seattle.—W. H. Foster has been admitted to membership in the Merchants Exchange Clearing House.

TERMINAL NOTES

E. E. Huntley has discontinued his grain business at Omaha, Neb.

The office of the Adair-Hunter Grain Company at Wichita, Kan., is being closed.

H. J. Hutton is president of the Terminal Grain Corporation at Sioux City, Iowa, succeeding the late T. A. Black.

The office of Phil M. Clarke, grain dealer of Hutchinson, Kan., has been closed. Mr. Clarke has gone to California.

Harry O'Brien is succeeded as manager of the James E. Bennett & Co. office at Hutchinson, Kan., by Paul Stewart.

Sterling H. Nelson is now a member of the Traffic and Transportation Department of the Chamber of Commerce of Ogden, Utah.

J. F. Vietor is now representing Colvin & Co. of Chicago on the New York Produce Exchange. He was formerly with the Continental Grain Company.

Quotations are being received at the Duluth-Superior market from New York Produce Exchange. Board space and wire connections were made recently.

A brokerage office has been opened at 401 Lewis Building, Portland, Ore., by Fay Malone who was until recently with John H. Noyes, grain broker of Portland.

The interests of Horace E. Kinney in the Kinney Grain Company at Indianapolis, Ind., have been disposed of by him. He will devote his time to his farm and elevators.

To carry on a grain business and also an agricultural sales business, the Thomas Farr Company has been incorporated at Ogden, Utah. The firm is capitalized at \$50,000.

The Northern Grain Company of Kansas City, Mo., has been granted a permit to do business in Texas. W. D. Creager of Texas City has been named agent in that state.

The death of C. T. Mears caused a vacancy in the Duluth Board of Trade of Directors, which has recently been filled by the appointment of H. J. Atwood. He will serve until January 1929.

Burke & McMahon of New York City have dissolved the partnership and the office of W. T. Burke will remain at 15 Whitehall Street and that of Joseph J. McMahon will be at 23-25 Beaver Street.

November 1 marked the formal opening of the sample market on the Seattle Merchants Exchange. General grain activity, stimulated by the success of the Seattle futures market, made the sample market necessary.

S. P. Fears, chief grain inspector and weighmaster of the New Orleans Board of Trade, was passing out the cigars to his colleagues on the Board in celebration of his recent marriage to Miss Florence Hiteshow.

The grain commission business of R. H. Stewart & Co., at Chicago, Ill., has been taken over by Miller & Co. This company is headed by L. O. Miller, well known member of the Open Board of Trade in that market.

I. B. Carr has left the Davis-Noland-Merrill Grain Company at Wichita, Kan., and is assistant manager of the elevator of the Kansas Grain Company at Hutchinson, Kan. This is a subsidiary of the Flour Mills of America, Inc.

The wheat quotations of the New York Produce

Exchange are now posted in the trading room of the Chicago Board of Trade and the cotton futures quotation of the Chicago Board are posted on the New York Produce Exchange.

A Portland, Ore., office has been opened by Louis Dreyfus & Co., of Paris, France, for wheat exporting. Walter L. Wilson, who had been associated with the grain trade on the Pacific Coast for a number of years, will be in charge.

J. C. Mullaney is now president of the Sioux City Grain Exchange, Sioux City, Iowa. The other officers for the coming year are: Vice-president, H. S. Nevileir; treasurer, R. E. Mangan; secretary and traffic manager, Freeman Bradford.

Articles of incorporation have been filed by the George C. Shane Company at Philadelphia, Pa., to deal in grain, feed, etc. Its capital stock is \$100,000. E. M. MacFarland, J. Vernon Pimm, R. L. Spurgeon are interested in the new corporation.

Larger offices are now occupied by the Frank R. Prina Corporation at Room 442, Produce Exchange Building, New York City. This space was formerly occupied by Robinson & Sweet, grain brokers, who are now at Room 202 in the same building.

During the world series a radio was installed in the St. Louis Merchants Exchange. After this series which ended so favorably for the St. Louis rooters, the radio became the property of A. H. Stokes of the Stokes-Barclay Grain Company.

C. A. Custer is now associated with Joseph Lackey in the grain business at Indianapolis, Ind. Mr. Custer was for several years with the Currus Grain Company, Cincinnati, Ohio, and previously with the Cleveland Grain & Milling Company.

The Murphy Grain Company of Kansas City, Mo., received the first car of new kafir corn in that market. It was shipped from Feterita, in the western part of the state. It graded No. 2 White, tested 59.2 pounds per bushel and showed 14.7 per cent moisture.

Grain and flour men of San Francisco, Calif., were entertained by the McCormick Steamship Company in October. This is the third year that the company has entertained this group of men. Edward Dial of the Dial Grain Company acted as toastmaster.

A branch office has been opened at New Orleans, La., by the A. A. Housman-Gwathmey Company of New York City. The company will do a general business in grain, stocks, bonds, cotton, coffee, etc. S. J. White is now associated with the firm and will act as New Orleans manager.

Soma Peto is now associated with B. C. Christopher & Co., Kansas City, Mo., in their merchandising department. He will have charge of the merchandising of wheat and coarse grains. Mr. Peto was formerly connected with the Goffe & Carkener in their merchandising department.

James E. Bennett & Co., Chicago, Ill., have moved their uptown Kansas City, Mo., office from 1104 Baltimore Avenue to the ground floor of the Board of Trade Building. Tracy L. Cockle is manager of the company which will continue its office on the fourteenth floor of the Board of Trade Building.

W. H. Noyes is now associated with George E. Pierce who recently bought a controlling interest in the Dakota and Eastern Elevator companies in Buffalo, N. Y. He was formerly with the Lamson Bros. at Chicago. H. C. Shaw will solicit consignments for the new organization in Ohio and Indiana.

The Wisconsin Grain Elevators Company has been incorporated at Milwaukee, Wis., a subsidiary of the Armour Grain Company. It will conduct a general grain business, operate elevators, warehouses, etc., and will operate the Milwaukee Railroad's Elevator "E" at Milwaukee and also a Milwaukee house at Savana, Ill. Albert R. Taylor, Edward C. Christie, and J. W. Rank appear as the incorporators of the company.

An announcement was recently made by the Board of Grain Commissioners for Canada that improvements were to be made in its supervision at the Montreal market which would facilitate the grain movement through that port. Under the in-

creased supervisory powers of the inspection department, a closer check can be made on all grain from the time it comes under the control of the Board until it is loaded aboard ocean bound vessels consigned to importing countries.

The fiftieth anniversary of the first shipment of wheat made from Manitoba to the East was recently observed by the Board of Trade of Winnipeg. H. L. Patterson who made the shipment was present and the original shipping bill was on exhibition. The initial shipment was 800 bushels; today shipments are 350,000,000 bushels.

The lease on the offices and trading floor in the Wheeler-Kelly-Hagney Building, Wichita, Kan., occupied by the Wichita Board of Trade has been extended to a period of 10 years, insuring the addition of another floor to the building. Construction will start in a short time which will give the members of the exchange greater floor facilities.

The Traffic Bureau of the Baltimore Chamber of Commerce has evaluated grain, for insurance purposes, as follows: Canadian wheat (Spring), \$1.80; Canadian wheat (Winter), \$1.60 per bushel; domestic wheat, \$1.60 per bushel; domestic wheat (garlicky), \$1.50 per bushel; corn, 95 cents per bushel; rye, \$1.20 per bushel; barley, 90 cents per bushel; oats, 60 cents per bushel.

The Leeson Grain Company, Inc., of Buffalo, N. Y., announces that on December 1, 1926, it will take over the grain handling equipment of the Globe Elevator Company, which includes Elevators "B" and "C", grain drier, as well as the bleacher and molasses feed plants. "These additional facilities," the company says, "will make it possible for us to give our shippers real service."

TRADE NOTES

The Link-Belt Company of Chicago has moved its Boston office from Federal Street to 1103-1104 Statler Building. The Boston office is managed by E. J. Burnell, who says that the change will work for more prompt and efficient service than ever.

The Huntley Manufacturing Company has finally transferred the last of its equipment and offices from Silver Creek, N. Y., and the permanent address of the company from now on will be Brocton, N. Y. The full line of "Monitor" machinery is now made in and will be shipped from the new location. One of the principal reasons for making the change was the superior shipping facilities at Brocton, and buyers of "Monitor" equipment can be assured of prompt service.

The Strong-Scott Manufacturing Company of Minneapolis brings a reminder this month of the urgent need of grain driers in elevators of all sizes, and calls attention to the efficacy of the Morris Dust Collecting, Automatic Grain Drier, which automatically regulates the flow and collects all dust and provides means for air current adjustment to provide maximum amount for any grain, light or heavy. The need for driers has been insistent all fall, and the spring prospect is even greater.

The O. W. Randolph Company of Toledo, Ohio, whose exhibit of a grain drier model attracted so much attention at the Buffalo convention, has achieved an enviable record in drier installations in the past year. Less than a year ago the Reliance Terminal Elevator of Fort William, Ont., installed a Randolph Direct Heat Drier. Since then and after careful investigation of the results attained, the Consolidated Elevator Company, the Northland Elevator Company, and the Northwestern Elevator Company, all of Fort William, have installed similar driers. The Randolph company have been so busy recently that they have had to put on night shifts at the plant to keep up with orders.

During the past 30 days two men well known in the elevator construction field have passed on to "the great adventure", but both have left enduring monuments in the great grain plants they have designed or built. R. C. Stone who was president of the R. C. Stone Engineering Company, died at his

home in St. Louis on October 21, aged 68 years. He had been under the doctor's care for many months, much of that time in the hospital, nevertheless his death was unexpected and a great shock to his many friends. Alfred E. Baxter, president of the A. E. Baxter Engineering Company, died at his residence in Buffalo, N. Y., on November 1. He had designed many elevators and mills and was highly regarded. The business of the company will be continued by his son, N. H. Baxter, who has been active in the company's affairs for some years.

"Don't put things off, put them over!" is the November message of S. T. Edwards & Co., of 110 S. Dearborn Street, Chicago, Ill., to the trade, and the calendar which carries the message is appropriately illustrated with a football game in progress. But the message is particularly significant to those who contemplate the installation of feed equipment. As one dealer downstate recently said, "Ten years ago not 10 per cent of feeders used ground feed, today not 10 per cent feed grain without grinding it first." The value of prepared feeds is gradually permeating the entire stock raising industry and now is the time to get aboard. S. T. Edwards & Co., who specialize in feed system engineering, have something of interest for everyone interested.

As a result of demand from the trade, the Link-Belt Company of Chicago, it has been announced, has extended the horsepower range of Link-Belt Silent Chain Drives available from distributors' stocks, from its present scale of $\frac{1}{2}$ to 10-horsepower, in practically any reduction from 1 to 1 up to 7 to 1. The step-up to 15 horsepower is the first change made by the Link-Belt Company in the original plan of Stock Drives Distribution, but does not, in any way, interfere with engineering drives which this company has furnished for over 20 years, up to and above 1,000 horsepower. James S. Watson, manager of the Dodge Works and the company's Silent Chain Division, recently stated that it was now possible to obtain Link-belt Silent Chain Drives from distributors' stocks, in practically any city in the United States within 24 hours.

TRANSPORTATION

DAKOTA RATE DEFLATED

An increase in rates on grain from Western North Dakota to Chicago and St. Louis over the Northern Pacific Railroad was suspended by the Interstate Commerce Commission on November 8, until March 8, 1927. The Commission will investigate the justice of the increases which were to have become effective the second week of this month.

SAMPLING CHARGE IN EFFECT

Since the third week of last month, the Minnesota state sampling charge of \$4 per car on grain stopped in transit to the Minneapolis and Duluth market, has been operative. The approval of the railroad and warehouse commissioners of the state has been granted. The charge is in effect on the Great Northern, the Northern Pacific, and Minneapolis, St. Paul & Sault Ste. Marie lines.

SOUTHWESTERN RATE HIKE STOPPED

At least until February 15, 1927, the proposed increase in grain freight rates in southern Kansas and Oklahoma, are suspended through order of the Interstate Commerce Commission. The Frisco and Rock Island lines recently filed a supplement which would increase rates on grain between points on the Rock Island in Kansas and points on the Frisco in Oklahoma. The action today prevents the proposal of substitute rates until after a hearing in Kansas City on November 15.

CLAIM U. S. SHIPOWNERS SIDESTEP GRAIN REGULATIONS

Canadian regulations governing the carriage of grain from the Head of the Lakes to Montreal are being continually evaded by American shipowners, it is claimed by the Dominion Marine Association.

The law states that Canadian grain must be carried between Canadian ports only in boats of

British registry, but to overcome this, the association claims, the American operators send the grain to Buffalo, lighter it and then bring it to Montreal in American bottoms. A tightening of the regulations is desired, and the association has asked the Minister of Customs that the laws be obeyed in the spirit as well as the letter.

The association will also request that the coastal regulations be left intact this season. In other years it has been the custom to suspend the coastal regulations at the end of the season when the rush of grain is in full swing, thereby enabling American boats to come direct from the Head of the Lakes. This is a direct blow at Canadian trade and the association feels that the coastal regulations should not be suspended this year as they have been on other occasions.

GRAIN EMBARGO AT VANCOUVER

On October 24 the Canadian Pacific and Canadian National placed an embargo on grain shipments through the port of Vancouver. There were then in store at that port 2,250,000 bushels of grain, or about one-third the visible elevator capacity of the port. In addition, there were 375 cars waiting to be unloaded; in transit, 1,390 cars; and 2,800 being loaded billed to Vancouver. As soon as the present congestion is overcome, shipping under the permit system will resume. Had the railways not taken the action they did, grain would have had to stay in the cars, and the railways refused to have their cars used for storage purposes in this busy season.

TWIN CITIES OPPOSE NEW RATE

The Minneapolis Traffic Association and the St. Paul Association of Public and Business Affairs have filed their formal petition requesting suspension of the proposed rate increases on grain and grain products, carried in a Northern Pacific tariff supplement effective November 8, with the Interstate Commerce Commission.

The rates opposed provide for increases on grain and grain products from stations in North Dakota to St. Louis, and points taking same rate, which, if permitted to become effective, would result in increased charges on shipment of grain and grain products from these stations via Minneapolis, St. Paul and Minnesota Transfer, Minn., St. Louis, and points taking same rates, and to points where through charges base over St. Louis.—*Northwestern Miller.*

KEEPING TAB ON COUNTRY SHIPPER'S RATE

To the extent that grain rates from Tab, Ind., to Louisville, Ky., and Cincinnati, Ohio, has exceeded 16 cents, the charges have been unreasonable. That is the verdict of an Interstate Commerce Commission Division in the case of the Hoosier capital's Board of Trade vs. several railroads. The schedule has been 17.5 cents, and the commissioners have ordered reparation with the further stipulation that the lower tariff be established not later than the last of this month.

Complainants, in addition to the Board of Trade, were H. A. Current and H. P. Worden, co-partners, trading as Tab Grain Company. They alleged that the rate of 17.5 cents applied on grain shipped in 1923, from Tab to Indianapolis and reconsigned in Cincinnati and Louisville was unreasonable and would be unreasonable, unjustly discriminatory, and unduly prejudicial. Tab is on the Danville branch of the Illinois division of the New York Central, 23 miles north of Danville. Charges on the grain to Louisville were collected at the rate of 17.5 cents and to Cincinnati at a rate of 16 cents. The Commission said the rate to Cincinnati was also 17.5 cents and that apparently the defendants were taking steps to collect the undercharges.

The Commission found that prior to May 9, 1918, for a number of years, the rate from Tab to Cincinnati and Louisville via Danville and the Big Four was 9 cents. Higher rates applied via other routes and Louisville was usually 1 cent, via the other routes, higher than Cincinnati. The Commission said that if the 9-cent rate had been subject to the general increase and reduction it would now be 16 cents. That was the rate the complainants sought and which the Commission granted.

NEWS LETTERS

NEW YORK
C. K. TRAFTON - CORRESPONDENT

QUOTATIONS for tickets of membership in the New York Produce Exchange suffered a further decline during October, but the tone is now said to be steadier as the lower levels have brought in more inquiries from prospective buyers. About a month ago a ticket of regular membership sold at \$3,400, and recently one was bought at \$3,350. There now are said to be a few available at \$3,200, against which there are bids of \$3,100. For associate memberships \$2,400 is bid and \$2,500 asked, or about \$200 less than a month ago.

Old timers on the New York Produce Exchange read with much interest a recent newspaper item to the effect that members of the Ketcham family had leased to the Mill Dock & Supply Company the block front on the East River from 104th to 105th Street and extending 100 feet on each street. This property is part of the large estate accumulated years ago by the late George E. Ketcham, having been purchased in 1883. For many years Mr. Ketcham was a shrewd business man and a clever merchant. He was the founder of the old grain jobbing house which was among the most active in its line at that time.

George E. Booth, a member of the firm of Lamson Bros. & Co., commission merchants on the Chicago Board of Trade, was among the recent visitors on the Produce Exchange floor.

Charles A. Robinson, head of the grain firm of Robinson & Sweet, recently returned to his post on the New York Produce Exchange and received a hearty welcome from his many old friends. He had been absent about four months, which time he had spent with Mrs. Robinson, "The National Flag Lady of the Veterans of Foreign Wars of the United States", in a tour of continental Europe, mainly by automobile. They spent a month in France and then journeyed through Germany, Switzerland and Italy as far as Rome, where Mrs. Robinson had the pleasure of presenting an American flag to His Holiness Pope Pius XI, in the throne room of the Vatican. In a general way, Mr. Robinson found conditions both commercial and financial very much improved since his last visit. He found very little unemployment and while the crops generally were not up to the average of last year, importers will not cover their requirements until necessity arises.

E. L. Glaser, president of Rosenbaum Bros., grain merchants on the New York Produce Exchange, came to New York early in November to see his wife off for a European trip and took advantage of the opportunity to spend a few hours with grain men on the Produce Exchange.

Members of the New York Produce Exchange, and especially old-timers in the hay and feed trade, heard with great regret recently that their old friend, E. A. Dillenbeck, had been forced to undergo an operation. Mr. Dillenbeck is perhaps the oldest man in the hay business, being 82 years old. As a member of the firm of Dillenbeck & Miner he was still actively engaged in business up to the time of his illness.

Henry L. Saam, assistant manager of the New York office of Bartlett Frazier Co., has been seen talking to so many boys at the door of the Produce Exchange that some of his friends began to suspect that he was conducting an employment bureau as a side line. It turns out that he is one of the most active workers in the Big Brother movement, having secured positions for nearly 600 boys. No wonder he always appears so happy!

The New York Produce Exchange and commercial organizations in Massachusetts, Maine, Connecticut, and Rhode Island have protested to the Interstate Commerce Commission against the schedule of freight charges on export and import shipments whereby Philadelphia and Baltimore receive lower rates than New York and New England ports. "The differentials constitute a national menace and should be abolished,"

said the brief. The railroads entering Baltimore have filed a brief urging the Commission to dismiss the New York and Boston complaint. They maintained that "distance is the controlling factor" and that principle has been recognized in all the differential cases considered by the Commission.

Orrin S. Dowse, assistant vice-president of the Armour Grain Company, Chicago, was a visitor among grain dealers on the New York Produce Exchange early this month.

Members of the grain trade on the New York Produce Exchange were deeply shocked and pained by the suicide of their old friend and associate, Edwin V. Phillips, on October 22. Just before the opening of the wheat market on that morning the first rumors were being whispered and before long the shocking news was confirmed. Mr. Phillips, who was 42 years of age, had been an active and popular member of the local trade for a number of years as manager of the local office of Hall-Baker Grain Company of Kansas City, which he had previously represented in New Orleans and with which he had started 28 years ago as an office boy in the main office. He had been one of the delegates of the Produce Exchange to the grain dealers' convention at Buffalo and had returned just the day previous, seemingly in good spirits. He seemed to be in a cheerful mood also when leaving his apartment on the morning of his death, but it was possible that he had already made his decision as he reached his office much earlier than usual at a time when all the other offices were empty. According to Frank G. Crowell of the Hall-Baker Grain Company, Mr. Phillips' business affairs were in good shape, and hence there seemed to be no other motive for his deed excepting the rather poor health which he had endured for some time. He had often complained of severe headaches and had been undergoing treatment from a chiropractor.

Robert G. Brandt, for many years an active and popular member of the local grain trade, has been appointed manager of the New York office of the Armour Grain Company, according to an announcement posted on the Produce Exchange bulletin boards.

J. Carroll Fahey, who recently joined the New York Produce Exchange after years of active association with large grain firms in Baltimore, is now acting as New York representative of the firm of Cathcart & Co., which has its main office in Winnipeg.

Charles W. Chilcote, a well known figure in local grain circles for many years, became associated last month with Clark, Childs & Co., commission merchants and brokers, as manager of their grain department and now represents them on the Produce Exchange floor.

Harry H. Lobdell of Lamson Bros. & Co., commission merchants in grain, stocks and bonds, on the Chicago Board of Trade, called on friends in the local grain market last month.

BUFFALO
ELMER M. HILL - CORRESPONDENT

TERMINAL grain elevators at Buffalo are facing a serious situation as great quantities of grain have been pouring down the lakes due to the unusually low freight charges for this season of the year. The elevators are almost filled to capacity owing to the lack of shipping orders and in some quarters of the trade it is feared boats arriving after November 15 will experience a delay in getting elevator berths. During the early days of November terminal elevators at Buffalo were holding almost 17,000,000 bushels of grain in storage with almost 4,000,000 bushels afloat in the harbor and another 4,000,000 bushels enroute to this port. During the month of October Buffalo grain elevators handled 32,272,000 bushels as compared with 43,728,000 bushels a year ago, a decrease of 11,456,000 bushels, a year ago, however, grain was being moved out of the elevators as fast as it arrived but lack of shipping orders has caused the grain to remain in storage at Buffalo this

season with the result that the situation is becoming more serious as the fall season nears an end. For the present season up to November 1, local elevators have unloaded 130,250,000 bushels as compared with 177,440,000 for the corresponding period of 1925. This represents a decline of 47,488,000 bushels. Early this month local houses only had working room with no space available for storage grain.

With the ore shippers out of the market, great lakes tonnage is being offered freely in the grain trade and the rate from ports at the head of Lake Superior to Buffalo for early loading has dropped to 2 cents, which is the lowest figure paid on grain this season. The demand for tonnage, however, is not very active and shippers look for even lower rates. Boats to take cargoes from Fort William to Buffalo up to November 20 are getting 2½ cents and for loading at the upper Lake Superior ports to Buffalo after November 20, the rate is 2½ cents. For loading at Lake Superior ports after November 15 and winter storage at Buffalo, the prevailing rate is close to 4½ cents. Some vessel owners are refusing to take cargoes at these low rates and are sending their boats to the docks for winter. Chartering for the season is about over and all the wild carriers that will get cargoes have been lined up.

Alfred Edward Baxter, internationally known grain elevator and milling engineer and founder of the A. E. Baxter Engineering Company of Buffalo, died November 1. Mr. Baxter was born in Jerseyville, Ont., February 27, 1860 and came to Buffalo in 1895 when he became identified as an engineer with the John D. Noye Manufacturing Company, flour mill builders. Three years later he entered business for himself and established the A. E. Baxter Engineering Company, with offices in the Ellicott Square Building. During the last 30 years Mr. Baxter in engineering the construction of grain elevators and flour mills in the United States and Canada and he also has built big cereal plants and corn mills in South Africa as well as in European countries. Many of the large grain elevators in the Buffalo harbor have been constructed under the engineering direction of Mr. Baxter and his associates. Besides his widow, Mr. Baxter is survived by one son, Allan H. Baxter, who also is interested in the company of which his father was the founder. For 31 years he was a member of Saint Luke's Episcopal Church in Buffalo.

William E. Townsend, president of the Townsend-Ward Grain Company and treasurer of the Buffalo Corn Exchange, died suddenly early this month. Mr. Townsend was 61 years old and had been active in the Buffalo grain trade for the last 25 years. His death came as a distinct shock to his multitude of friends in the Buffalo Corn Exchange and along the waterfront where he occupied a prominent position with members of the grain elevating fraternity. Mr. Townsend was born in East Aurora, a suburb of Buffalo. Before organizing the Townsend-Ward Grain Company about 20 years ago, Mr. Townsend was for many years connected with the Husted Milling Company. Several years ago he organized the Fostoria Elevator Company but recently sold out his interests in this concern. Besides his widow, Mr. Townsend is survived by two daughters, two brothers and two sisters. He was a vestryman of St. Mary's Church, a director of the board of managers of the church home and a member of the Laymen's League of the Episcopal Church of Buffalo.

The Canadian steamer *Lamoyne*, known as the "Leviathan of the Great Lakes" and which is owned by the Canada Steamship Lines, Ltd., of Toronto, Ont., arrived in Buffalo early this month with a cargo of 508,182 bushels of wheat from Fort William at the Canadian head of the lakes, making her fifth load this season. The five trips totalled 2,581,305 bushels. On her initial trip, the *Lamoyne* carried 513,290 bushels of wheat; on her second trip she brought down 518,000 bushels of wheat; 533,000, a world's record, on her third trip and 508,833 bushels on her fourth trip.

George E. Pierce has purchased the controlling interest in the Dakota & Great Eastern Elevator corporations of Buffalo. He has been operating both grain elevators since August 1 but it was only recently that negotiations were completed whereby Mr. Pierce purchased the stock of Harry C. Rice of New York and Levi S. Chapman of Syracuse. Mr.

Rice has resigned as president of both of these companies and Mr. Chapman has resigned as chairman of the Board of Directors of the two elevators. Mr. Pierce is to become president and general manager of the new corporation which will take over control of the Dakota and Great Eastern Elevator properties. For 35 years Mr. Pierce has been active in the grain and elevator trades of Buffalo. He maintains offices in the Chamber of Commerce Building.

Announcement was made recently that the Interlake Steamship Company of Cleveland has placed an order with the American Shipbuilding Company for the immediate construction of a Great Lakes grain carrier of larger capacity than the *Lamoyne*, which is now the greatest on the inland seas. She will be ready for delivery in the fall of 1927. The new ship will be 630 feet long with a beam of 65 feet and 33 feet deep. The new ship will be built this winter at Lorain, Ohio. A ship of this size will be able to carry at least 600,000 bushels of grain.

Thomas R. Enderby of Montreal, managing director of the Canada Steamship Lines, Ltd., which operates a large fleet of grain carriers on the lakes and also a fleet of boats between Buffalo and Montreal in the grain trade, predicted a lively windup in the Great Lakes grain trade. Mr. Enderby said the elevator situation at Montreal has been improving and it will continue to get better as the end of the season approaches. Mr. Enderby was accompanied to Buffalo by Philip S. Jaeger, the company's representative at Cleveland.

MILWAUKEE

C. O. SKINROOD - CORRESPONDENT

MILWAUKEE'S report on grain receipts is the best for many months. In fact, the grain trade seems to be getting back to something like its old stride. The most cheerful news is the boom in receipts of oats with more than 2,000,000 bushels offered in the past month as compared with a little more than 1,000,000 bushels offered in the corresponding month of last year. The second big boost was in corn with more than 900,000 bushels reported for the past month.

The rye trade is running strong, with offerings about three times as big as a year ago. The figures are over 110,000 bushels this year. Wheat trade did not vary much, with a little less than 400,000 bushels both for last month and for the same period a year ago. The only grain to show any appreciable loss was barley. Even here the loss was only about 200,000 bushels. With gains in grain receipts for the month of approximately 1,500,000 bushels over the same month of last year, an encouraging record has been set up.

The first car of new corn to appear at the Milwaukee market arrived in the first week of November. The car came from Iowa and graded only No. 6 Yellow with 22.1 per cent of moisture. The test was only 50 pounds weight. The car brought 60 cents a bushel.

Grain dealers and members of the Milwaukee Chamber of Commerce have been irritated toward the Harbor Commission because of the failure of the Steamer *Townsend* to carry out a record cargo of grain. This ship has a length over all of more than 600 feet and a depth of 32 feet. The vessel left Milwaukee without any grain cargo whatever, but went to Alpena, Mich., to carry a load of stone. The big steamer had orders from Buffalo to load 400,000 bushels of wheat from Milwaukee elevators but marine authorities declared that the ship could not be floated, after loaded, around a turn in the Kinnickinnic River. The attitude expressed by the grain men is that it would be better for Milwaukee to spend money to promote and foster the present available business rather than spend money on the outer harbor where millions of dollars are being used on potential traffic. It is claimed that the basin near the Kinnickinnic Elevator has not been dredged enough to accommodate the largest vessels on the Great Lakes.

The stocks of oats are piling up in Milwaukee with tremendous receipts as shown in the comparison with last year. The total stock of oats has now passed the 2,000,000 mark. The total supply of grain on hand has reached the aggregate of 4,347,000 bushels. Wheat has also soared to near the 1,000,000-bushel mark, while corn holdings are 586,000 bushels. The barley holdings are small in line with smaller barley receipts, with 177,000 bushels. Stocks of rye are exceptionally high with 490,000 bushels.

Grain prices that are being paid at Milwaukee compare very favorably with those of last year despite the reports that farmers are not getting as good

returns for their crops as last year. No. 2 barley is being sold at Milwaukee around 77 to 78 cents a bushel, as compared with a ruling price of 67 to 78 cents a year for the same grade. The price is therefore just a shade lower than last year. The rye price of 1926 makes an excellent showing with the No. 2 now quoted at 99 cents to \$1 a bushel as compared with a quotation ranging from 81 to 83 cents for the same grade a year ago. Rye is therefore selling 17 cents a bushel better than last year.

The oats trade at Milwaukee is also doing better than last year with the No. 3 White quoted at 44 to 45 cents a bushel as compared with sales mostly at 39 to 40 cents for the same grade a year ago. No. 2 Dark Northern wheat is selling in Milwaukee largely from \$1.45 to \$1.48, as compared with a ruling price of \$1.62 to \$1.73 for the same date last year. This means a decline of about 25 cents in the wheat market.

Corn, however, is the real black spot in the grain price comparison, with the No. 2 Yellow selling mostly around 71 cents, as compared with a ruling price of 90 cents for this grade a year ago for the same date. This means a slump of 19 cents in the corn market. Corn is down almost 25 per cent.

Grain rates on the Great Lakes from Milwaukee took a decisive slump in November due to the scarcity of cargoes at the fog end of the season. The rate on wheat from Milwaukee to Buffalo was depressed from 3½ cents a bushel to 2¾ cents a bushel. This cut, it is hoped will attract some added shipping before the end of the season. For the last six weeks the number of cargoes of grain going out from Milwaukee have been few and far between. Apparently, the season will close with quite a large amount of grain still stacked up in Milwaukee elevators.

H. E. Byram, head of the Chicago, Milwaukee & St. Paul Railroad, said in Milwaukee that his company is feeling the lack of grain traffic this season. Grain loading, he asserts, has been showing larger losses in traffic than any other classification and other lines of business he said, have to make up the losses in grain movement. Mr. Byram blames his road's situation on the deficient crops of grain in three or four of the Northwestern States from which this road must draw the most of its grain business.

Tramp steamers from Europe are coming into Milwaukee in increasing number with various kinds of traffic and many of them are taking grain on the way out again. The Norwegian Steamer *Rein*, after unloading a cargo of wood pulp for the Wisconsin paper mills in the Fox River Valley, took out 50,000 bushels of corn from the Kinnickinnic Elevator of the Donahue & Stratton Company. The ship was chartered to go to Cardinal, Ont., with a cargo to be used by a Canadian starch factory.

After a month of stormy discussion on the merits and the demerits of the proposed municipal owned elevator on Jones Island the directors of the Chamber of Commerce have passed two reports on the plan to the Harbor Commission without any comment. When the report was drawn up by a special committee, the city owned elevator immediately brought a sharp split between the members of that committee. Commission merchants of the Chamber of Commerce were united in favoring the erection of the elevator, declaring that added competition in the grain market would increase shipments of grain to Milwaukee and in turn speed up the shipments of grain on the Great Lakes. Most of the elevator operators are just as radically opposed to the plan for a municipal elevator as they say Milwaukee now has plenty of storage facilities for grain, proof for which is the fact that most of the time the present elevators are not used to full capacity. At least two grain companies, it is stated, have put in tentative bids with the Harbor Commission for a lease in case the elevator is built.

No action is expected by the Harbor Commission for some weeks. Karl Albrecht, the new traffic manager for the Milwaukee Harbor Commission, has been studying leading marine ports in the east with a view of making plans for promoting business at the Milwaukee harbor. Since the grain men have virtually dodged the issue of a city elevator by bringing in a divided report, the Commission will have to take the entire responsibility of deciding the matter.

The rate of interest on advances for November at the Milwaukee Chamber of Commerce has been fixed by the Finance Committee at 6 per cent.

John H. Haertel of the P. C. Kamm Company, of Milwaukee, has been elected to membership in the Milwaukee Chamber of Commerce.

Special honors are being given to Herman T. Draheim, of Richland Center, Wis., for being the champion grain grower of the state. Mr. Draheim for years has been dragging down most of the gold and silver cups, blue ribbons and other trophies for raising the best grain in the state. One of the cups which gives Mr. Draheim most satisfaction was for the best oats at the state grain show. Mr. Draheim

has just won this honor for the third time. His prizes include a long list—from the Panama Pacific Exposition, the International Grain Show at Chicago and many shows in all parts of the country.

Just 12 years ago Mr. Draheim started out to get honors for the best grains and he has awards in oats, barley, wheat and corn. He has only 100 acres of land; his soil is by no means of the best, but this year he will have more than 600 bushels of fine seed grains to sell and in addition he will have about 100 bushels of seed corn.

The Wisconsin Grain Elevators Company has been incorporated for \$100,000 to take over the grain business of the Armour Grain Company, in Milwaukee. The incorporators are Albert R. Taylor, E. C. Christl and J. W. Rant, all of Milwaukee. The new organization is in the form of a subsidiary. This concern will operate the newly built Elevator "E." Work has been progressing rapidly on Elevator "E," with 1,400,000 bushels of capacity. The plant is now ready for full operation. The new plant is expected to be a great help in promoting the grain business in Milwaukee.

KANSAS CITY

B. S. BROWN - CORRESPONDENT

ON COLUMBUS DAY the Kansas City Board of Trade held its annual golf tournament at the Meadow Lake Country Club. Fifty-two entered the tournament, which was limited to those who were members of the Board of Trade or directly interested in the grain business. The all-day event was followed by a dinner at the club in the evening, the day being a great success as regards attendance and entertainment features. Prizes consisted of golf bags, balls, and various kinds of golf equipment. In arranging the tournament the committee, composed of J. J. Kraettli, W. B. Lathrop, and K. G. Irons, provided a number of events. Prizes were awarded to R. H. Sturtevant for the lowest net score, and Roscoe Kelley and Harold Spencer who tied for second place, and in the play-off Kelley won. The low gross score was made by Mr. Kraettli, while R. J. Thresher received the prize for the highest score. Other prizes were awarded to H. C. Gamage, K. G. Irons, W. C. Goffe and D. C. Bishop.

Edwin V. Phillips, 42 years old, manager of the New York office of the Hall-Baker Grain Company, committed suicide in New York, on October 22. Ill-health was the only cause which associates could attribute to Mr. Phillips' act. Mr. Phillips was not married, but is survived by three sisters, all of Kansas City. Mr. Phillips had been with the Hall-Baker Grain Company for 27 years, having started as office boy. He made his way rapidly, holding a responsible position in the export department at the time of this removal to New York, six years ago. No plans have been made by the company for appointing a successor to Mr. Phillips.

The Monarch Milling Company, a subsidiary of the Commander-Larabee Corporation, has under way an addition to its elevator capacity, which gives an 800,000-bushel increase, providing for a total storage capacity of 1,100,000. Construction on the new elevator, which was started about two months ago, will be completed within the next month and put into use immediately. This is the beginning of an extensive enlargement of the plant which when completed will give the mill a daily capacity to 5,000 barrels as compared to the present capacity of 2,200. The Monarch Mills is the former J. C. Lysle Mill, and was constructed to permit the installation of added milling machinery, which will be installed in time to take care of the new crop.

The Kansas City Board of Trade closed all day on election day, and a number of the members of the Board took advantage of the holiday to stage an unofficial golf tournament at the Hillcrest Country Club.

C. D. Sturtevant, of Omaha, who was recently elected president of the Grain Dealers National Association, has applied for membership on the Kansas City Board of Trade. Mr. Sturtevant bought his membership from Paris J. Keyes for a consideration of \$10,000. Mr. Keyes is an independent trader, and had been a member of the Kansas City Board of Trade for several years.

Grain dealers of Kansas City are expressing considerable interest in the proposed new Gulf port outlet, which the Frisco railroad has assured them is to be established. The new port will be at Pensacola, Fla., and will offer another direct line to the Gulf for the movement of grain and grain products. According to J. W. Holloway, assistant transportation commissioner of the Kansas City Board of Trade, this new

Frisco line will provide greater elasticity of movement for grain originating in this territory and will insure a greater degree of freedom during the rush season.

The following members of the Kansas City Board of Trade attended the Grain Dealers National Association convention held in Buffalo: C. A. Severance, of the Vanderslice Lynds Company, John Stark, of the Mid-Continent Grain Company, Henry Litchig, of Henry Litchig & Co., F. M. Corbin, of B. C. Christopher & Co., J. P. Parks, grain broker, C. L. Fontaine, Jr., General Commission Company, R. A. Kelley, of the Norris Grain Company, N. F. Noland, of Davis-Noland-Merrill, Edward F. Emmons of Simonds-Shields-Lonsdale, and George W. Hoyland, of the Hoyland Flour Mills.

Harry Gamage of the Moore Seaver Grain Company pays his bets very punctiliously, but not always in the conventional manner. During the World Series, M. Gamage bet Sam Carlisle of the Continental Export Company \$11 that New York would bring St. Louis to defeat. When the series was decided, Mr. Gamage promptly paid up, sending to the bank for a bag of 1,100 pennies, which he presented to Mr. Carlisle. Mr. Carlisle, not in the least inconvenienced by this prank of his friend, immediately sent the pennies back to the bank, and received his \$11 in coin of more convenient denominations.

An article in a recent issue of the *Kansas City Star* says that six years' growth has brought Kansas City to the third rank in the manufacture of stock and poultry feeds. Six of the seven establishments in Kansas City, manufacturing stock feeds exclusively have started since 1919, according to this account. The business of these seven concerns amounted in 1925 to \$10,534,750, more than double the output of the preceding year, when the volume was \$5,038,625, these figures being compiled by the industrial department of the Chamber of Commerce. In addition, the output of millfeeds as a by-product in the regular milling business amounted to 208,838 tons for 1925, valued at \$6,265,000. Exceptional growth in the feed mill business has come to Kansas from the availability of raw materials and the splendid distributing facilities for serving the livestock regions. The seven concerns in Kansas City manufacturing stock feed, including cattle, poultry and horse feeds exclusively, are: Arcady Farms Milling Company, Ralston Purina Company, Nutrena Feed Mills, Southard Feed & Milling Company, Staley Milling Company, Tarkio Molasses Feed Company, and Quisenberry Feed Manufacturing Company.

The 1,300,000-bushel addition to the grain storage capacity of its elevators in the Katy yards in Rosedale will soon be completed, according to an announcement of the Uhlmann Grain Company. The addition provides for a total storage capacity of 2,300,000 bushels. The cost is estimated at between \$340,000 and \$400,000. James Stewart & Co., Inc., of Chicago, built the new units, as well as the original structure.

DULUTH

S. J. SCHULTE - - CORRESPONDENT

ELEVATOR and commission men on this market have been complaining of the extreme dullness receiving and shipping grain that has prevailed all along this fall. As a result of inability to obtain shipping directions for the great bulk of the wheat and other grains that had been held in store here, much of it for a considerable period, commission men were unable to pursue their usual active campaigns to promote shipments from the country for fear of storage congestion developing. Under the circumstances they are flattering themselves upon having put through a larger volume of trade than had been thought likely earlier. Congestion has, however, been obviated by careful handling and operators are hopeful of being able to function for some time after the close of navigation in receiving grain from country customers.

Stocks of all grains in Duluth and Superior elevators as at the close of business on November 10 were 25,793,000 bushels as compared with 24,339,201 bushels a month ago. The elevators have succeeded in getting just sufficient grain moved out from time to time to enable them to function. From the present outlook it is hoped that stocks in the elevators here will be brought down to around 15,000,000 bushels at the close of navigation on December 12. So far, however, contracting for boat space for last half of November loading and winter storage has been limited. Up to the present, Buffalo mills are reported to have only taken space to move out around 2,000,000 bushels of their Spring wheat being held in the elevators here, leaving about 2,000,000 bushels more to be taken care of later. Under liberal offerings boat space for Buf-

falo delivery second half of November loading is now being offered at 2½ cents a bushel; charters to include winter storage have been made at 4½ cents.

F. E. Lindahl, manager of the Cargill Elevator Company, reported a better eastern inquiry for rye lately after a long extended dull period. He could not find, however, that any amount of trade had been worked as offers had been generally below a basis that holders could see their way to accept. As compared with a month ago, the market in spot rye is up 1½ cents.

Holdings of oats in the elevators here now aggregate around 8,900,000 bushels, the great bulk of them being stored in the Globe Elevator Company's houses. The market in them has gained around 2 cents during the last months but it is still regarded as too low especially for high-grade old oats. The elevators are comfortably situated as regards oats, full storage charges being obtained.

Illustrating the slowness of the grain movement this fall, figures of the Duluth Board of Trade show that receipts of all grains at the elevators here during the present crop year to November 10 have aggregated 41,640,177 bushels, against 78,928,961 bushels up to the same period last year. Of that wheat receipts were 27,090,874 bushels, against 39,760,422 bushels; corn, 36,049 bushels, against 61,209 bushels; oats, 1,201,927 bushels, against 15,242,622 bushels; barley, 3,718,016 bushels, against 11,721,000 bushels; flax, 4,706,272 bushels, against 6,325,758 bushels.

No changes in memberships nor in the personnel of the elevators and commission houses on this market during the last month. As a result of the limited marketing of grain this fall the majority of houses have been operating with smaller clerical forces than usual for the season.

John D. Shanahan of the Niagara Falls Milling Company, Buffalo, was a recent visitor on this market. He was reported to have made arrangements for the shipping of a fair-sized lot of Spring wheat to cover his mill's requirements, though he complained that the high premiums current for the better grades had made it difficult for the eastern mills to buy on this market. Mr. Shanahan asserted that elevator congestion had already developed at Buffalo as a result of the lack of the usual fall export demand.

R. M. White of the White Grain Company asserted that trade in feeds and hay over this district had picked up substantially recently owing to lumbering and woods operations having opened up for the season. He expressed the opinion that grain men specializing in feeds would experience a substantial increase in their operations as a result. He looks forward to an expansion in carlot inquiry for coarse grains on this market during the late winter and early spring periods.

Officials of the Minnesota state grain inspection department here noted that damp wheat and other grains over this territory appeared to have dried out materially during the last few weeks but that on the other hand more damaged grain has been coming in and that has been contributing to difficulty in handling a percentage of it at times. The inspection department assumed that the great bulk of the wet and damaged grain has been already marketed as growers did not care to run the risk of heavy deterioration through carrying it. Their information was that growers had been holding a proportion of their best grain off the markets in the hope of being able to obtain better prices for it later. As they saw it, farmers in many districts might consider themselves lucky, their grains not having been as badly damaged as they might have been through the persistent rainstorms during the early fall after cutting had been completed.

Hi Jurgens, Duluth representative of Quinn-Sherdson & Co., is regarded as a winner in the spot market. His delicate handling of prospective buyers is thought to have resulted in his having put through his house's full proportion of the trade going this fall.

Frank Tenney of the Tenney Company considers that this market has done well for its shippers this fall in handling the grain routed from over their grounds. He noted that buyers here have been able to obtain their full proportion of the cars held at transit points. With the placing by the northwest railroads of a \$4 per car charge for the privilege of holding cars at sampling points, it was noted by Mr. Tenney that fewer cars are being held for orders, thus eliminating that nuisance and the degree of congestion brought about by it.

Fred S. Keiser, traffic expert of the Duluth Board of Trade and the Chamber of Commerce, expressed the opinion that they would be successful in their protest before the Interstate Commerce Commission against the attempt of Minneapolis interests to regain some of the old grain transit privileges which they lost through revisions made during the last 12 years. Mr. Keiser attended the recent hearing at St. Paul when he formally filed a petition protesting against free transit on shipments of grain moving from points on the Chicago, Milwaukee & St. Paul Railroad via

Minneapolis to Duluth. Oral argument on the case will be held on December at Washington, D. C. Mr. Keiser will attend it and offer arguments in favor of Duluth shipping and business interests who would be seriously affected in the event of an unfavorable decision to them being reached. Minneapolis, it was stated at the hearing, is endeavoring to break down the differential rates which the Interstate Commerce Commission fixed in the Banner Mill case in 1917.

The posting of quotations in New York grain futures on the Duluth Board of Trade has been found a great convenience to operators here specializing in the grain trade even though the volume of business in that department has been curtailed to some extent this fall through the disarrangement in the shipping situation.

PHILADELPHIA

WM. A. LOCKYER - - CORRESPONDENT

THERE were 318 carloads of grain unloaded at the Girard Point Elevator of the Pennsylvania Railroad during the month of October, according to the monthly report posted on the floor of the Commercial Exchange. At the Port Richmond Elevator of the Reading Company, 174 carloads were handled during the month, while at the Twentieth Street Elevator of the same company, 71 carloads were unloaded mostly for domestic account.

For the 10 months of this year, the following figures are given:

Receipts—Flour, 1,796,930 barrels; wheat, 13,010,346 bushels; corn, 1,021,653 bushels; oats, 2,562,422 bushels; rye, 282,917 bushels; barley, 394,131 bushels.

Exports—Flour, 230,530 barrels; wheat, 12,551,953 bushels; corn, 723,032 bushels; oats, 1,787,186 bushels; rye, 351,731 bushels; barley, 414,879 bushels.

With the single exception of corn, which shows a decided increase, the receipts and exports so far this year are away below the aggregate for the same period last year, and unless there is a very material improvement during November and December, the year's totals will fall short of last year's figures.

Public warehouse stocks of flour and grain in Philadelphia on November 1, included 121,948 barrels of flour; 1,583,127 bushels of wheat; 26,827 bushels of corn; 135,441 bushels of oats; 24,311 bushels of rye, and 2,107 bushels of barley.

Through the Port of Philadelphia Ocean Traffic Bureau as well as the Joint Differential Committee, local grain interests are giving close attention to the pending differential proceedings before the Interstate Commerce Commission at Washington. Final briefs were filed last month in the Boston case, which concerns the inland rates on ex-lake grain and grain products, including flour, moving to tidewater for export, while in the Baltimore case, which has been instituted for the purpose of bringing about a larger differential than now exists, as well as to segregate the terminal charges from the rail haul, the Ocean Traffic Bureau has been authorized to intervene on behalf of the Port of Philadelphia as well as to file a new complaint of its own with particular reference being given to the terminal charge question. Hubert J. Horan, president of the Commercial Exchange, and C. Herbert Bell, chairman of the Joint Committee, are prominent factors in these cases, the former having been one of Philadelphia's chief witnesses in the Boston case. The Baltimore case has served to stir up New York shipping interests, and with Philadelphia intervening, a long drawn out struggle is anticipated. It is not expected that the case will actually get under way for some time, as the original hearing set for October 29, was indefinitely postponed.

Recent visitors on the floor of the Commercial Exchange in the Bourse included F. L. Schreiner, of Chicago, Ill.; Arthur Cain, of Leavenworth, Kan.; R. E. Johnson, of Columbia, Pa.; W. A. Lansker, of New York; H. F. Marsh, of Minneapolis, Minn.; E. W. Piel, of Indianapolis, Ind.; T. F. Rostetter, of Erie, Pa.; Howard F. Brazer, of Atlantic City, N. J.; J. Andrews, of Roxbury, Mass.; John G. Lewis, of Honey Brook, Pa.; E. P. Mitchell, of Kansas City, Mo.; R. R. Cook, of Cleveland, Ohio; L. B. Dennison, of Minneapolis, Minn.; S. E. Caldwell, of Houston, Texas; W. H. Cowles, of Beltsville, Md.; Donald McKay, of New York; J. F. Webb, of Smyrna, Del.; F. C. Lewis, of Doylestown, Pa.; W. A. Nickles, of Shippensburg, Pa.; G. C. Wheeler, of Washington, D. C., and F. H. Hespeneide, of York, Pa.

Membership applications considered by the directors of the Commercial Exchange this month included those of Otto-Jones Company, Inc.; Frank F. Kray and J. A. Trinley. The first two named are located in Philadelphia while Mr. Trinley comes from Linfield, Pa.

Having considered the agricultural problem from the viewpoint of the wheat belt, the corn belt and the

cotton belt, the business interests of the country, as represented in the Chamber of Commerce of the United States, will direct attention to the problem as it appears to the industrial East, in a regional conference to be held at Harrisburg, Pa., November 22 and 23. Notice of the meeting has been received by local interests and they will have representatives in attendance. The conference will be made up of representatives of agriculture and other industries from the states of Delaware, Maryland, New Jersey, New York, Pennsylvania and West Virginia.

Hubert J. Horan, president, represented the Commercial Exchange at the luncheon given here recently in honor of Dr. Philipp Heineken, president of the North German Lloyd, of Bremen, and attended by representative local shipping and commercial interests. Mr. Horan was one of those called on to speak and he dealt at length on the facilities of the port and the activities of his organization to increase the volume of business moving via Philadelphia. Mr. Heineken, who is touring the country in the interests of his company, is well acquainted with the Port of Philadelphia and expressed his satisfaction at the support accorded his line here.

A special meeting of members of the Commercial Exchange, held on the floor this month, had for its purpose the development of a plan to prevent, if possible, the disposal of membership certificates in the outside market at ridiculously low figures. A special committee was authorized to consider the question. Among the proposals put forward in the course of discussion was one by James L. King, a former president, which provided that upon the death of a member his certificate of membership shall revert to the Exchange upon payment of a death benefit to members of his family. It was explained that such a plan would prevent such certificates from being "hawked about the streets." Members of the Exchange would be assessed a yearly sum to make these payments without drawing upon the assets of the organization. George M. Richardson, vice-president of the Exchange, presided in the absence of the president.

INDIANAPOLIS

H. M. RUDEAUX CORRESPONDENT

OFFICIALS of the state conservation department have announced the issuance of a new publication describing in detail the damage done by the European corn borer, which has made its appearance in recent weeks in northeastern Indiana. The borer came into Indiana after having crossed Michigan and Ohio. The pamphlet sets forth means of fighting the pest, and is the work of Harry F. Dietz, assistant state entomologist. Up to October 1, the borer had been found in all townships of Steuben and DeKalb Counties and in parts of Lagrange, Noble and Allen Counties. The publication gives a detailed description of the habits and life history of the two distinct types of the borer—the two-brooded race which at present is confined to the extreme eastern United States, and the single-brooded race in the Central States, including Indiana and Canada. The last named pest works in the field and sugar corn.

After the middle of August the damage may be very noticeable, being detected by broken tassels and also by the presence of a white or yellowish substance, much like saw dust, which has been thrown out of the small holes in the stalk. On cutting open the stalk near these holes, the borer usually may be found in its burrow, although the caterpillar may desert one plant and wander to another nearby. Temporary field headquarters have been established at Auburn, Ind., and farmers are requested to send all specimens there.

Some new corn is moving to this market but is carrying quite a good deal of moisture, and in some localities dry rot has been discovered. A great deal of corn is down and lying on the ground and in bad shape. The yield in general is below the standard of last year. Very little wheat is in the hands of the farmers or elevator men, while most of the large mills are well supplied, with storage space filled to capacity. The crop in general is about planted and in all stages from barely being up to well along, with about two-thirds to three-quarters as many acres planted as last year, which was only three-fourths of the usual crop, making the total acreage considerably below normal acreage. It has been reported that in some sections farmers have sold their seed to the elevators, the unfavorable weather having made planting impossible.

There is a very active movement of old corn, owing to the scarcity of hogs in the state. During the past summer the cholera among hogs was the worst in many years, and farmers lost heavily. In many cases the corn now moving to the market was held

for the feeding of hogs but with the scarcity of hogs there is a surplus of corn now coming in, and if favorable weather continues the receipts will increase. This condition prevailing, there is little demand for new corn at this time, and shippers are unwilling to sell at the low prices. The arrivals of new corn have shown considerable damage and in the face of the heavy movement of old corn shippers would profit by holding the new crop.

Charles Riley, secretary of the Indiana Grain Dealers Association, has just mailed the new directory to all members of the Association.

Millfeeds continue to drag with occasional inquiry, and no change is anticipated until cold weather sets in. Hay movement is very light and with the southern trade out of the market there is little activity. There is some demand for straight Clover, which is not to be had, although being quoted at \$1 to \$1.50 over the best grade Timothy. The low price of cotton seed meal is seriously affecting the hay trade, and in many southern markets cottonseed hulls are being used in the place of hay.

TOLEDO

S. M. BENDER CORRESPONDENT

THE past month has been one of advancing premiums for Soft Red Winter wheat. Local and outside milling demand have been mainly responsible for this advance. Receipts have also been small and the tendency in the country is to hold for higher prices. Stocks of local mills have dwindled with the excellent flour trade they have been enjoying. Export sales have not been possible due to prices here being above an export basis. The early sown crop of new Winter wheat is reported to be in excellent condition while the late sown has not fared so well. Each bulge has brought out increased offerings and country dealers report plenty of wheat which can be still bought for a price. Some export trade is expected in both wheat and flour when ocean freight rates get back to normal.

Corn prices have suffered from the decline in that market but in spite of this old corn is meeting a keen demand. Fresh shelled old corn is eagerly sought by buyers. Heavy marketing of old corn in this territory is believed to have cut stocks in the country but each bulge brings out fresh offerings. Dealers are urging that new corn be held back until it dries out and old corn stocks are out of the way. Present arrivals of new corn are mostly No. 5 or lower and selling at wide discounts. The other half of the coarse grain family has been doing pretty well with heavy weight oats commanding a big premium. Local feed mills have been good buyers and outside mills are also hot after plump or barley type of oats.

Clear Clover hay and mixtures scored a good advance during the past month. The scarcity of Clovers was mainly responsible for this upturn. Receipts so far have been very light account of the poor weather and possibly low prices also. The cotton slump is also expected to affect the demand from the South which usually comes at this time of year. As a matter of fact, the excellent weather for pastures during the fall has cut into the hay trade quite severely. Dealers here look for a very active trade when it does come with perhaps a sharp rise in prices. Ample supplies of feeding grains and forage will hold off the hay demand for some time. Farm work has also hindered farmers from hauling and will keep much of the hay at home until a more favorable opportunity for selling presents itself.

Millfeeds have held their own mighty well considering the abundance of hay, feeding grains and good pasturage. The weakness displayed in coarse grains has also left its mark. Several mills in this section have managed to keep sold ahead and in one or two instances offerings recently have been very small. This has had a tendency to create a strong undertone. Country dealers have been reporting very quiet trade while local mills have had plentiful orders. Colder weather now on the way may make some difference. Stocks have not accumulated to any extent due to the demand keeping up with production. Not many straight carloads are being sold but mixed cars are going good. More inquiries about the straight carload price may indicate a better business for this type of sale. Mills have not been anxious to book futures as the uncertainty of the market makes it poor business. Feeding is expected to be heavy this winter and should take care of any accumulations that may be made at this time.

Clover seed has shown a mixed trend during the past month but is now believed to be in a strong position. Old cash, which is foreign Clover, has been wanted by dealers and inquiries have come from

widely scattered sections of the country. The old seed is not stained as the seed received this year will be and while this does not affect the quality there are many among the trade who realize it can be sold easier than the new. It appears that imports this year will be heavy although their crop may not be as heavy as expected earlier. Some heavy sales have been made in this market since early fall and deliveries will probably be heavy during the December option. The quality of the French crop is good this year and should make an excellent substitute for our higher priced domestic crop. Its adaptability has been proven and those who have tested its germination in this section report it very satisfactory. Some prime Clover of domestic origin was delivered on October contracts and either put in store here or was shipped to outside trade. Excessive rains have cut the yields of United States Clover this season and much of it had to be left in the fields without being hulled. This year's crop is the fourth successive small one and it has become a necessity to import Clover seed to take care of the domestic demand. There has been large substitution of other seeds and fertilizing crops such as sweet Clover, soy beans and Alfalfa but there are many farmers who still prefer the old standby.

Farmers have been liberal sellers of Red Clover in the Western States because of the high prices. Receipts here have been the lightest in years and not expected to show much increase until foreign Clover begins to arrive. Clover acreage was increased in some sections but was offset by unfavorable weather which caused a decided shortage. The trend of the market is expected to be variable with breaks caused by hedging pressure and profit-taking. Alsike and Timothy have shown intermittent strength and should be largely governed by the cash trade.

Don Kern, of the Sheffield Elevator Company, Minneapolis, Minn., was a visitor on the local exchange floor and at several of the grain offices while returning from the Grain Dealers National Association convention at Buffalo.

The first cars of new corn arrived in this market October 27 and both graded Sample Yellow, moisture 20 per cent and 26.4 per cent, 7 to 9 per cent damaged, test weights 49 and 51 pounds. Both cars were from Ohio.

Sam Rice, Metamora, Ohio, grain dealer arranged a meeting for about 250 grain dealers in this territory, Friday evening, October 22. After an excellent chicken dinner, Phil Sayles, president of the Ohio Grain dealers, introduced Herbert Janvrin Browne, long distance weather forecaster of Washington, D. C. Mr. Browne made some very interesting forecasts which if true will spell disaster to next year's grain crops. Everyone was impressed with his science and the clear manner in which he handled his subject. Music was furnished by local talent and Mr. Rice was congratulated on all sides for the excellent program arranged.

Official records show that the cost of producing an acre of wheat in Putnam County, Ohio, for this year was \$24.42. Figures were kept on 20 farms in the county, where average yields had run from 15 to 25 bushels to the acre during the past five years. This season largely due to the excellent weather the average yield was 35 bushels which brought the cost down to about 70 cents per bushel.

Henry L. Goemann, chairman of the Legislative Committee of the Grain Dealers National Association, was a visitor on the floor Wednesday, November 3.

William E. Savage, president of the Imperial Grain & Milling Company, is motoring through the New England States and reports business conditions good in that section.

The Ohio Grain Dealers Association held their forty-seventh annual meeting at the Southern Hotel, Columbus, Ohio, Tuesday, November 9. E. C. Eikenberry, Columbus Grove, Ohio, and Sam Rice, Metamora, gave short talks and were followed by Dr. T. H. Parks, entomologist of the College of Agriculture, Ohio State University, an authority on the European corn borer. He stressed the necessity for immediate action in stamping out this dangerous destroyer which has already made its way into the corn belt.

Inspections of grain for the past month in this market were 268 cars of wheat, 216 cars of corn, 250 cars of oats, 11 cars of rye and 3 cars of barley. Total 848 cars.

The mill of the Chatfield Milling and Grain Company, Bay City, Mich., with 200 barrels' daily capacity was burned recently. The company expects to continue in the feed business in another building and may later rebuild the mill.

Those from Toledo who attended the Grain Dealers National Association convention held in Buffalo last month were Louis Schuster of C. A. King & Co., Charles Patterson of John Wickenhiser & Co., J. D. Hurlbut of the Toledo Grain & Milling Company, Fred Mayer and Joe Streicher of J. F. Zahm & Co., Charlie Keil-

holtz and Kent Keilholtz of Southworth & Co. Sam Rice of Metamora, Ohio, Louis Chase of the United Flour Mills, Grafton, Ohio, and Edgar Thierwechter of Emery Thierwechter Company, Oak Harbor, Ohio, were those from nearby towns who attended.

Seed receipts for the past month were 53 bags of Clover, 295 bags of Alsike and 1,770 bags of Timothy.

Phillip Sayles, president of the Smith-Sayles Grain Company, Columbus, Ohio, and A. R. Maney, manager of the cash grain department of the Ohio Farm Bureau Service Company, Columbus, Ohio, were visitors on the local Exchange floor during the past month.

Charles Baum of the J. J. Badenoch Grain Company, Chicago, stopped off here while on his way to the Grain Dealers National Association convention at Buffalo.

Jess W. Young of Southworth & Co., who has been in charge of the corn and oats department for that concern, has left to start a business of his own at Lafayette, Ind. Mr. Young is well known to the trade in that territory and will enter the grain jobbing business with a wide acquaintance.

Joe Streicher of J. F. Zahm & Co., reports his wife recovering rapidly after several weeks' illness in a local hospital.

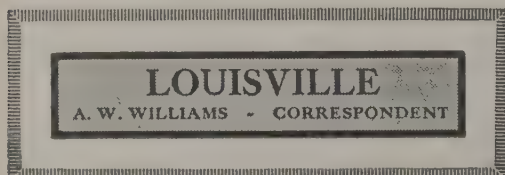
The Toledo Premier Seed House has been organized to take over the business, good will and other assets of the Toledo Seed Company, the Premier Seed Company and the Toledo Field Seed Company. Several local seedsmen are interested in the new company.

Joe Doering of Southworth & Co., is a proud grandpa again and being of a highly excitable nature, when he heard the news tried to tear down a cement culvert but found it would even resist grandpa's assault. Of course Joe didn't do this with his fists but with his car which suffered the consequences.

Local seed companies have made preparations to stain arrivals of foreign Clover as required by law. The staining does not injure the quality of the seed but merely acts as a means of identification.

Louis Schuster of the C. A. King & Co., will remember the Columbus Day festivities of the Exchange for some time as he found after making a touchdown or back that he also had a broken rib. He is still trying to take the adhesive off his chest but it hurts worse than the broken rib, so 'tis said.

Lester Howard, former grain man, has been appointed sales manager for P. W. Chapman & Co., bond house who maintain a branch in this city.



LOUISVILLE has been in a bad way the past few weeks account of lack of elevator storage space, and the situation has been increasing with the beginning of movement of new corn. A few years ago Louisville was a market in which there were heavy daily handlings in and out at this season, due to the fact that the brewers, malt houses, distilleries, etc., were all busy, and there were considerably larger storage facilities. Today there isn't much daily in and out movement, elevators became congested with long time storage, and there isn't handle space sufficient to carry wheat and still have room for handling any corn.

Over the past few years elevator space has been decreased instead of increased. The plant of the Wathen Milling Company, which at one time had a very fair storage space, which was later available for storage use, after the corn mill was taken out of commission, was wrecked about three years ago by what some termed a dust explosion, and others a collapse. The old Fleischmann elevators burned and were not replaced. The old Verheoff elevators also burned and were not replaced. The Kentucky Elevator Company's plant burned a few years ago, and replacement resulted in smaller than former capacity. Offsetting these losses the only plant that has been built was that of S. Zorn & Co., operating as the Gold Proof Milling Company, not a large plant, and only used for private storage.

Today the Kentucky Public Elevator Company plant is jammed with long storage, and hasn't been in position to take care of much additional business since August. Last year local millers were storing some wheat in Indianapolis, Cincinnati and St. Louis. Other storage is all of a private nature.

One of the grain jobbers reported that corn coming in on consignment was in a bad way, as it couldn't be unloaded, wouldn't keep if not rehandled, and was

pling up demurrage. It doesn't take sappy corn long to get out of condition. New corn has been coming on the market for about two weeks, and is running from 21 to 25 per cent moisture, or running No. 5 to Sample. New corn is worth around 56 to 60 cents, dried out to No. 3, 70 cents; and old corn, No. 2, White or Yellow, 72 cents; No. 3, 72 cents, with Mixed at a cent under the above prices. New corn can't be dried down below about No. 3, without being ruined.

Oats are quoted at 46 cents for No. 3, and 48 cents for No. 2. Oats are in very fair demand. There has been a fair demand for milling grade of White corn.

It has recently become known that the Ballard & Ballard Company, Louisville, flour mill operators, are planning and have plans, for a 1,000,000-bushel concrete tank grain elevator plant, on property now within the mill yard. The old office building, kitchens, cafeteria, etc., in part are being torn down to make room for the new elevators, and part of the office is in temporary quarters. The company has some metal storage tanks to the east side of its plant, and a large warehouse for sacked grain, and some metal storage tanks on Underhill Street, but generally has to carry a lot of wheat each season in outside storage. This company generally at harvest time buys up new wheat freely until it fills all of its own storage, and all the outside storage it can secure here, as well as storage in nearby cities. Its annual costs in storage charges paid out would in a few years reduce its cost of construction materially, with the result that finally it has been decided to erect the storage that has been so badly needed. The company today in addition to its flour business manufactures general lines of feeds, and has greater use than ever for storage facilities.

F. C. Dickson, of the Kentucky Public Elevator Company, remarked that the company had been loaded down with long time storage business for months, but was beginning to need storage space, in order to get the best advantage of its corn driers, etc.

Ed Scheer, Bingham Hewett Grain Company, remarked that there wasn't any demand to take stuff out of local storage and with new corn already causing demurrage trouble the situation would be a whole lot worse later, when consignment shippers really start moving corn.

Kentucky is now facing a state sales tax, as a result of Governor W. J. Fields having announced that he would call a special session of the state legislature in the period after the first of the year, to consider a sales tax, taxes on tobacco, amusements, luxuries, etc., for state needs, in view of defeat of state bond issues of \$9,000,000 thrown down by the voters on November 2.

Harry A. Volz, of S. Zorn & Co., Louisville, president of the Board of Aldermen over the past year, was re-elected president at the annual meeting on the evening of November 9.

Some good corn yields were reported in the Ohio Valley this year. At Madison, Ind., 111.9 bushels per acre was the record, the second highest being 108.8 bushels. Yields were below last year, when 144 bushels were made.

GRAIN NEWS FROM BOSTON

By L. C. BREED

Jaquith & Co., Woburn, Mass., through a fire in their grain and hay shed which occurred October 16, suffered a loss estimated at \$25,000. The fire did not damage their elevator.

The North Atlantic Grain Company shipped this week by the Norwegian steamer *Bergsdalen*, 250,000 bushels Canadian wheat to Havre, France.

The demand for corn is limited, but there is a good inquiry for oats. Prices for grain are ruling steady.

There is a better demand for feed, though the mildness of the season causes the sale to be less in volume than usually is the case as late in the year. Offerings by western mills and Canadian mills are not large and prices for wheat feeds are ruling steady. Most of the Canadian shipments are from Montreal.

Stocks of grain at Boston in regular elevators as of November 1, were as follows: Wheat, 290,273 bushels; corn, 6,482 bushels; oats, 53,207 bushels; rye, 2,328 bushels.

Owing to the failure of the parties that were negotiating the purchase of the old Exchange Building to consummate the transaction, the situation reverts again to what it was prior to the consideration of their proposals.

Arrivals of hay show some increase, but the demand has shown some improvement and prices are ruling fairly firm. The mild weather curtails consumption by stock through admitting of pasture

feeding. The short crop of hay has been remedied somewhat by second, and in some localities a third cutting. Receipts of hay for the month of October were 201 cars. Rye straw four cars.

As tabulated by the Boston Grain and Flour Exchange, the receipts of grain at Boston for the month of October were as follows: Wheat, 450,675 bushels; corn, 17,375 bushels; oats, 100,215 bushels; barley, 2,075 bushels; malt, 5,075 bushels; mill feed 95 tons; cornmeal 285 barrels; oatmeal 10,190 cases and 180 sacks.

Among the visitors to the Exchange during the month of October, outside of New England, were the following: E. J. Daugherty, Pittsburgh, Pa.; H. W. Corrigan, Montreal, Canada; E. R. Jennings, Chicago, Ill.; Joseph G. Vogels, Philadelphia, Pa.; E. F. Chapin, Chicago, Ill.; W. H. Burt, Seattle, Wash.; A. K. Taylor, Milwaukee, Wis.; E. W. Ehlert, Minneapolis, Minn.; J. W. Rice, Milwaukee, Wis.; C. E. Beach, Chicago, Ill.; H. S. Klein, Chicago, Ill.; L. W. Todd, Owosso, Mich.; Thos. F. Fahey, Geneva, N. Y.; W. E. Savage, Toledo, Ohio; H. V. Colgrove, Canaseraga, N. Y.

THE GRAIN MARKET SITUATION

By G. A. COLLIER,
Bureau of Agricultural Economics,
U. S. Department of Agriculture

Grain markets have followed a downward trend during the past two weeks with corn showing the sharpest decline. Receipts of wheat have been of moderate volume and domestic buying was only fairly active while export demand has been restricted by the high ocean freight rates. Liberal country offerings of old corn on the eve of the new crop movement caused corn prices to lose about five cents in the two weeks. Rye and barley were also lower but oats held independently firm for the period while flax made a slight advance.

Wheat prices declined one cent to two cents per bushel during the two weeks with Spring wheat markets relatively firmer than Winter wheat markets, partially because receipts at the Spring wheat markets fell off the last week in October while arrivals of Winter wheat increased. Consumption of wheat as indicated by flour production continues of good volume and over 160,000,000 bushels of wheat were ground into flour during the three months—July, August and September—compared with 146,000,000 bushels for this period last year and 158,000,000 bushels two years ago. Exports of flour for the three months totaled around 3,800,000 barrels compared with less than 2,500,000 barrels for these months last season. The British coal strike continues to restrict export buying but fair amounts continue to be shipped in spite of the high ocean freight rates, which in some cases have doubled or trebled for grain and are close to the high levels of 1920, according to trade reports. Coal is being exported from America to Europe and is competing with grain shipments for room. Usually such a sharp advance in freight rates would cut down export buying to a great degree and also curtail the takings of importing countries, but export buying is being maintained this year to an unexpected degree, largely because of the poor quality of much of the European wheat crop and the light deliveries by growers there. A year ago native wheats in Europe were selling at a discount under imported wheat but this year they are commanding premiums in several countries, largely on account of tariff protection.

Latest reports indicate that European surplus producing countries will supply less wheat than last season to the consuming areas, but present indications are that crops in Australia and Argentina will be slightly larger than a year ago, so that these countries may have a larger surplus to offer. Private reports show favorable crop prospects in Australia and generally favorable weather conditions in Argentina. Conditions in India at the close of October were on the whole fair to good, but it is still too early to make more than a guess at the outcome of the wheat in that country.

PREMIUMS FOR PROTEIN DECLINING

Abundant supplies of high protein wheat offered in United States markets this season and the fact that the exporters will not pay premiums for high protein wheats has resulted in a decided narrowing in the spread between high protein and ordinary

Hard wheat, particularly in the Southwest. Minneapolis mills are mostly well supplied with high protein wheat and are now paying more attention to test weight and to moisture than to protein test. In fact, the protein test has become a minor factor at Minneapolis. Twelve per cent protein No. 1 Dark Northern sold at the close of October at one cent under the December price to about four cents over; 12½ per cent at one cent to five cents over and 13 per cent at two cents to six cents over. In the Southwest some dealers were disregarding the protein test almost altogether, but 12 per cent protein No. 2 Hard Winter was generally quoted at Kansas City at three cents over the December option; 12½ per cent at four cents over and 13 per cent at 4½ cents over at the close of the month.

Light supplies of good quality Durum wheat have held the market for this class very strong, while export demand has also been active on account of the short crop of this wheat in important European and North African countries. Nominal quantities of No. 1 Amber at Minneapolis at the close of October were 10 cents to 35 cents over the Duluth December option.

Soft Winter wheat met a limited demand while inquiries were more for deferred shipment than for quick delivery. Some dealers were cautious about buying until the effect of low cotton prices on wheat consumption in the South could be more clearly seen. Wheat prices have held firm in the Pacific Northwest although export demand there has been much affected by the scarcity and high cost of ocean space. Farmers, however, were holding their supplies firmly. Mills in that area have been only moderate buyers this season.

Rye prices declined in sympathy with wheat markets. European markets for rye are very firm but mounting freight rates also hindered exports of this grain. About 2,122,000 bushels were exported during September, which is over twice as much as for September, 1925, but preliminary figures indicate that only about 500,000 bushels were exported during October while commercial stocks in the United States showed a slight increase and are now nearly 13,000,000 against about 10,000,000 a year ago.

LOWER CORN PRICES

With the new crop of corn assured, farmers were offering corn freely the latter part of October and market receipts in the last two weeks of the month totaled over 18,000,000 bushels compared with about 7,000,000 bushels for this time last year. The largest previous figure since the war was about 11,000,000 bushels for these two weeks in 1920. These offerings were considerably in excess of current needs and about one-third of the arrivals of the last week in October were represented by the increase in commercial stocks for that week. Terminal stocks on November 1 totaled over 22,000,000 bushels, which is the largest figure at this time for over 15 years.

Market demand for corn continues of good volume. Pacific Coast points were again in the market. Glucose production continued heavy, according to trade reports, while corn mills took substantial quantities of good quality White and Yellow corn. Farm feeding of corn may be affected by the outbreak of hog cholera, which is reported to be the most severe since 1915, but definite information upon this is not yet available.

The corn crop was mostly matured ahead of the first general frosts of the season which occurred the last week in October. An earlier frost, however, had done considerable damage in the Northwestern portion of the corn belt. Weather has been favorable for drying out corn west of the Mississippi River but excessive rains in the eastern part of the country have caused some molding in the shock.

Light receipts of oats have held prices of this grain relatively steady although the market has been influenced by the weakness in corn. Arrivals at primary markets are less than half as large as a year ago and commercial stocks have held practically steady, although they are still large. Demand has been fairly active for the limited offerings of good quality heavy weight oats.

Barley prices declined slightly in sympathy with

the weakness in corn markets but the limited offerings of good quality barley have held prices on top grades relatively firm. Desirable malting and pearling types are scarce. Export demand for barley has also been restricted by the high freight rates prevailing but only about 15,000,000 bushels have been received at the four principal markets in the Central West compared with 30,000,000 for this period last year. Commercial stocks have decreased slightly during the two weeks and are slightly lower than at the first of November, 1925.

Flaxseed prices November 4 were slightly higher than two weeks before but were around 35 cents per bushel lower than at this time last year, largely on account of the record crop in Argentina last year. Receipts at Duluth, Minneapolis and Milwaukee since the first of September totaled about 7,000,000 bushels compared with about 10,600,000 bushels for this period last year and 11,400,000 bushels for the same period in 1924. The bulk of the arrivals at Minneapolis continued to show the effects of wet harvest and cash flaxseed sold at a range of about 11 cents, depending mostly upon the moisture content. Some seed was shipped from Duluth to Toledo and Buffalo according to trade reports, while commercial stocks in the United States have increased about 1,500,000 bushels during the past two weeks.

Argentine prices have shown a downward tendency recently. Latest reports from that country indicate favorable conditions for the growing flax crop and suggest the possibility of another bumper harvest, although it is still too early to predict the outturn. Exports from that country totaled 980,000 bushels for the last week of October which included 732,000 bushels destined to the United States.

RUSSIAN GRAIN PROGRESS

Ivan S. Lobachov, chairman of the Khleboproduct (Soviet Union Grain Trading Company), is making a tour of American elevators, mills and cereal plants, looking toward the purchase of machinery for the reconstruction and extension of the Soviet system of elevators and mills. He is accompanied by M. Vavilov. In a recent statement, Mr. Lobachov said:

"The Khlebo production in the current year bought from the peasants 35 per cent of all the grain and feed moved to the cities for domestic use there and for export. In spite of the setback due to inaccuracy of crop estimates, grain buying has been satisfactory, and there is every indication that at the end of the crop year in July, the buying bodies will have accumulated sufficient reserves to enable them to regulate the market and insure them against any unforeseen developments.

"During the first 10 months of the present crop year to April 30, 1926, the amount of grain and seeds moved from the villages was 533,000,000 poods (a pood is about 36 pounds), as against 291,000,000 poods during the same period of the preceding year. It is expected that by July the year's program, providing for a total market movement of 600,000,000 poods of grain from the villages, will have been more than fully carried out. In view of the present favorable prospects for the coming harvest, a larger exportable grain surplus is expected for the year 1926-1927, which will make possible a considerable increase in the imports of machinery and equipment into the Soviet Union.

"The Khleboproduct plans in the next fiscal year to increase its storage facilities and to construct new modern plants for the manufacture of grain products. The present storage facilities at the disposal of the Khleboproduct in the grain producing regions have a total capacity of 68,000,000 poods. Beside this, the Khleboproduct has built and equipped 25 line elevators, with a total capacity of 350,000 poods. Another corn drier with a capacity of 150,000 poods is now being completed. Work has begun on the construction of 10 new elevators with modern equipment, to be completed in 1926-1927. These elevators will have a total capacity of 1,120,000 poods. In addition, five new storage plants with mechanical equipment and a capacity of 320,000 poods will be completed during

the next year. It has at its disposal 230 mills, with a producing capacity of 25,000 tons of flour a day, and a number of large dairies, vegetable oil factories, etc."

ELEVATOR LEASEHOLD IS REAL ESTATE

A grain elevator situated on a railroad right of way under a leasehold is real estate and therefore comes under the operation of the valued policy law, according to a decision of the Nebraska Supreme Court made this month. The Fidelity-Phoenix Fire, which carried \$12,000 of insurance on the elevator, contended that it was personal property, not worth over \$3,600, that it was incumbered with a \$10,000 policy placed thereon without its consent, that the fire that caused its destruction originated through the act, design, procurement and criminal fault of the owner, that it was personal property for the reason that the ground on which it was located belonged to the Union Pacific Railroad, and that the terms of the lease provided for the removal of the building at the end of the period.

When passing upon the case, the court reiterated a former ruling to the effect that the clause in fire insurance policies that provides that they shall be declared void if the property be mortgaged without the consent of the insuring company is meaningless, unless it can be proved that such action on the part of the policyholder contributed to the loss. The court held that in this case it had been proved that the building was not destroyed by any act on the part of the owner and that the only question was whether the subject matter of the insurance was real or personal. The court denied the contention that a building erected on leased premises that the owner may remove at any time is personal property, and held that the legislators in using the term "real estate" meant to designate something corporeal and tangible and which might be inspected and which was "an object of the senses."

GRAIN CROPS IN SOUTHWEST ARABIA

In southwest Arabia, ploughing begins as soon as the spring rains have set in, and millet (or dura) is sown directly after, in order to get as many crops as possible, from that one sowing, within the year. Maize comes next and, after that, sesame as soon as the farmer can get his land ready, for all must be sown before the spring rains are over—that is by the end of April. Millet will be 10 feet high in June, and ready to cut in July. It is harvested with a curved saw-edged knife, stalk by stalk, for each stem is the thickness of a walking stick, and has to be hacked through. In some districts this crop attains the height of nearly 15 feet, but such a length of straw usually means light heads. The stalks are used as fodder for horses, camels and cattle.

Maize is ready to cut in three months from sowing, though the harvest often goes on for months; it ripens irregularly, and much of it is sown too late to insure a supply during the drouth. Its stalks are also used as fodder. On the coast of the Aden Gulf, which is closely connected with India it is a lowland crop, as is also sesame. The latter is ready to harvest in two and a half months from sowing; the heads are crushed in a rotating oil-press, operated by a perambulatory camel, blindfolded that he may keep in his narrow circular track.

At mid-altitude (about 4,000 feet), millet is still the staple cereal but, above this, bearded wheat and barley compete with it. These crops are sown very irregularly, even in the same district. In some localities the millet is harvested in the autumn. Barley is sown in the early spring, and is followed by wheat, both being three-month crops.

THE amount of merchantable corn, based on the Government report, is only 1,757,000,000 bushels, compared with 2,313,000,000 bushels in 1925.

CHARGE FOR SAMPLING

Cars of grain held up at sampling points for sampling paid a charge of \$4 each, or 3/10 cents per bushel, starting October 18, under terms of a tariff set up by the Great Northern, the Northern Pacific and the Minneapolis, St. Paul & Sault Ste. Marie Railroads as a compromise proposed before the state railroad and warehouse commission. The rate is effective for cars stopped at Glenwood, Thief River Falls, Staples, Willmar, Cass Lake and Sandstone, Minn.

FLORIDA WANTS ELEVATORS

St. Petersburg, Fla., says the *Times* of that city, offers unusual advantages for a great grain elevator in connection with a mill there. Great efforts are being made to attract grain men to the Port of St. Petersburg, development of which is in full swing. "An elevator and mill here on the west coast of Florida is one of our greatest needs," asserts the editor. Wheat and other grains are available to that port at exceptionally low rates from New Orleans or Mobile.

Possibility of great profit for some elevator operator equipped with a full line of feed grinding equipment is pointed out. There is a great and growing demand for poultry, stock and dairy feeds. In the vicinity of St. Petersburg, there are 350,000 people. The winter population of Florida this year, in spite of the hurricane scare on the east coast, will be 2,500,000, according to the latest estimate.

RECEIPTS AND SHIPMENTS

Following are receipts and shipments of grain, etc., at the leading terminal markets in the United States for October.

BALTIMORE—Reported by Jas. B. Hessong, secretary of the Chamber of Commerce:

	Receipts	Shipments
Wheat, bus.	1,233,372	1,159,717
Corn, bus.	23,569	37,786
Oats, bus.	158,426	98,517
Rye, bus.	32,184	3,813
Barley, bus.	2,070	178,893
Malt, bus.	6,681	3,887
Hay, tons	868	1,243
Straw, tons	16	87
Mill Feed, tons	1,144	1,996
Flour, bbls.	145,683	108,598

CHICAGO—Reported by J. J. Fones, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	1,652,000	1,825,000
Corn, bus.	14,104,000	4,668,000
Oats, bus.	4,015,000	3,348,000
Barley, bus.	1,056,000	1,255,000
Rye, bus.	467,000	727,000
Timothy Seed, lbs.	3,368,000	5,009,000
Clover Seed, lbs.	3,596,000	946,000
Other Grass Seed, lbs.	3,045,000	2,997,000
Flax Seed, bus.	315,000	195,000
Hay, tons	15,354	15,881
Flour, bbls.	1,247,000	1,209,000

CINCINNATI—Reported by J. A. Hallam, chief inspector of the Grain & Hay Exchange:

	Receipts	Shipments
Wheat, bus.	282,800	375,200
Shelled Corn, bus.	478,800	271,600
Oats, bus.	454,000	316,000
Barley, bus.	2,800	2,800
Rye, bus.	26,600	9,800
Ear Corn, bus.	25,000	33,000
Grain Sorghums, bus.	5,600	1,400
Feed, tons	2,010	2,400
Hay, tons	2,750	5,533

DULUTH—Reported by Chas. F. McDonald, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	7,776,160	10,134,294
Corn, bus.	9,704	5,905
Oats, bus.	2,576,448	2,621,936
Barley, bus.	700,825	1,638,740
Rye, bus.	1,384,846	1,564,333
Flax Seed, bus.	3,295,982	2,713,013
Flour, bbls.	1,146,790	994,255

FORT WILLIAM, ONT.—Reported by E. A. Ursell, statistician of the Board of Grain Commissioners for Canada:

	Receipts	Shipments
Wheat, bus.	56,098,065	53,225,956
Corn, bus.	5,386	5,714
Oats, bus.	1,718,963	4,149,453
Barley, bus.	8,392,428	5,774,069
Rye, bus.	1,289,027	627,887
Flax Seed, bus.	432,271	1,478,135

INDIANAPOLIS—Reported by Wm. H. Howard, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	336,000	271,000
Corn, bus.	1,653,000	957,000
Oats, bus.	894,000	772,000
Rye, bus.	8,000	6,000

KANSAS CITY—Reported by W. R. Scott, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	6,444,200	3,348,000
Corn, bus.	1,525,500	666,250
Oats, bus.	360,000	1,348,000
Barley, bus.	9,600	60,000
Rye, bus.	64,500	31,900
Kaffir Corn, bus.	96,800	24,200
Bran, tons.	9,600	2,660
Hay, tons.	23,304	29,580
Flour, bbls.	86,775	78,325

LOS ANGELES—Reported by M. S. Thiebaud, secretary of the Grain Exchange:

	Receipts	Shipments
Wheat, carloads	231	228
Corn, carloads	259	212
Oats, carloads	39	81
Barley, carloads	218	193
Milo, carloads	37	17
Poultry Feed, crds.	47	48
Kaffir Corn, carloads	6	5
Flour, carloads	154	252

MILWAUKEE—Reported by H. A. Plumb, secretary of the Chamber of Commerce:

	Receipts	Shipments
Wheat, bus.	386,400	392,000
Corn, bus.	932,400	230,400
Oats, bus.	2,068,560	1,165,500
Barley, bus.	851,580	1,049,760
Rye, bus.	118,200	36,835
Timothy Seed, lbs.	240,000	636,700
Clover Seed, lbs.	374,205	316,762
Flax Seed, bus.	121,550	67,210
Hay, tons	516	1,403
Flour, bbls.	159,250	300,400

MINNEAPOLIS—Reported by G. W. Maschke, statistician of the Chamber of Commerce:

	Receipts	Shipments
Wheat, bus.	11,919,680	12,220,500
Corn, bus.	688,330	381,940
Oats, bus.	2,579,400	3,339,120
Barley, bus.	1,643,340	2,239,260
Rye, bus.	494,140	851,330
Flax Seed, bus.	2,905,440	2,744,780
Hay, tons	3,394	2,425
Flour, bbls.	30,084	80,431

MONTREAL—Reported by J. Stanley Cook, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	14,917,134	22,037,968
Corn, bus.	113,910	131,499
Oats, bus.	175,211	3,666,136
Barley, bus.	1,513,474	4,880,575
Rye, bus.	1,138,338	344,678
Hay, bales	50,252	112,020
Flour, bbls.	467,923	341,220

NEW ORLEANS—Reported by S. P. Fears, chf. gr. inspr. of the Board of Trade, Ltd.:

	Receipts	Shipments
Wheat, bus.	497	83
Corn, bus.	216	388
Oats, bus.	77	63
Barley, bus.	3	1
Rye, bus.	5	1
Grain Sorghum	5	3

NEW YORK CITY—Reported by H. Heinzer, statistician of the Produce Exchange:

	Receipts	Shipments
Wheat, bus.	7,991,800	11,178,400
Corn, bus.	146,000	239,500
Oats, bus.	320,000	1,336,000
Barley, bus.	1,728,100	3,074,000
Rye, bus.	125,000	137,000
Clover Seed, lbs.	124 Bags	2,446
Flax Seed, bus.	759,000	491,500
Hay, tons	4,554	5,974
Flour, bbls.	1,292,448	1,254,423

OMAHA—Reported by E. P. Manchester, secretary of the Omaha Grain Exchange:

	Receipts	Shipments
Wheat, bus.	2,445,800	1,547,000
Corn, bus.	2,247,000	1,026,200
Oats, bus.	618,000	1,462,000
Barley, bus.	164,800	68,800
Rye, bus.	128,800	57,400
Clover Seed, lbs.	124 Bags	2,446
Flax Seed, bus.	759,000	491,500
Hay, tons	4,554	5,974
Flour, bbls.	1,292,448	1,254,423

PEORIA—Reported by John R. Lofgren, secretary of the Board of Trade:

	Receipts	Shipments
Wheat, bus.	95,400	204,000
Corn, bus.	3,096,000	1,729,000
Oats, bus.	850,700	923,800
Barley, bus.	96,600	169,400
Rye, bus.	3,600	2,400
Mill Feed, tons	26,900	36,120
Hay, tons	2,440	2,970
Flour, bbls.	238,100	151,300

PHILADELPHIA—Reported by A. B. Clemmer, secretary of the Commercial Exchange:

	Receipts	Shipments
Wheat, bus.	733,251	2,757,284
Corn, bus.	4,597	20,721
Oats, bus.	140,107	614,685
Barley, bus.	2,746	320,408
Rye, bus.	7,974	2,751
Flour, bbls.	209,949	279,460

SUPERIOR—Reported by E. W. Feidler, chairman of the Wisconsin Grain and Warehouse Commission:

	Receipts	Shipments
Wheat, bus.	4,801,715	5,491,454
Corn, bus.	10,689	7,154
Oats, bus.	183,050	92,041
Barley, bus.	407,938	1,121,438
Rye, bus.	801,525	701,019
Flax, bus.	1,347,580	882,290
Bonded Wheat, bus.	392,600	282,353
Bonded Oats, bus.	20,740	94,998
Bonded Rye, bus.	25,515	40,067
Bonded Barley, bus.	295,659	346,008
Bonded Flax, bus.	26,258	29,195

ST. LOUIS—Reported by Charles Rippin, secretary of the Merchants Exchange:

	Receipts	Shipments
Wheat, bus.	2,840,600	2,102,800
Corn, bus.	2,151,800	1,313,200
Oats, bus.	1,848,000	1,986,000
Rye, bus.	7,800	97,500
Barley, bus.	182,400	232,000
Kaffir Corn, bus.	33,600	61,600
Hay, tons	7,356	7,560
Flour, bbls.	510,902	488,430

SAN FRANCISCO—Reported by J. J. Sullivan, chief inspector of the Chamber of Commerce:

	Receipts	Shipments
Wheat, tons.	4,500	10,356
Corn, tons.	4,520	2,339
Oats, tons.	2,016	2,204
Barley, tons.	22,131	34,187
Bran, tons.	130	1,033
Beans, sacks.	85,550	114,065
Foreign Beans, sacks	5,448	5,448
Hay, tons	2,656	3,175

TOLEDO—Reported by A. Gassaway, secretary of the Produce Exchange:

	Receipts	Shipments
Wheat, bus.	515,200	1,186,770
Corn, bus.	273,845	93,750
Oats, bus.	512,500	362,850
Barley, bus.	3,600	7,200
Rye, bus.	13,200	8,400

BROKER APPEALS TO COOLIDGE

Relief from the one-cent tax on each \$100 involved in sales of grain futures is to be asked from congress at the coming session as the cut most favored by Chicago Board of Trade brokers.

An open letter to President Coolidge from C. D. Berry, member of the Chicago Board, says so, urging the removal of that tax rather than the proposed 10 to 12 per cent reduction in personal and corporate income taxes for 1926, payable in 1927. Mr. Berry sent a copy of his letter to the Board of Trade directors, who took it up at their meeting November 9.

The directors sent a reply to Mr. Berry thanking him for presenting the copy of his letter and for his efforts for relief. In the course of his letter Mr. Berry said:

"Before reducing taxes on incomes, would it not be advisable to relieve the grain trade and the American farmer of the war stamp taxes? The Canadian farmer, with whom we must compete, has already been relieved of these taxes."

The stamp tax on sales on grain exchanges was enacted and became operative in 1914. It originally was 2 cents on every \$100 valuation. The grain exchanges endeavored to have it made on quantities, but failed. It was re-enacted in 1916 and 1917 and reduced to 1 cent on every \$100 valuation in 1924. Several efforts have been made by the officials of grain exchanges to have the tax removed, but without success. With the grain markets in an unsatisfactory condition, the tax is regarded as burdensome on traders and is said to be causing many to reduce their operations.

It has been estimated by Board of Trade officials that this tax paid by its members has ranged from \$2,000,000 to \$3,000,000 in years when values were high. The tax amounted to \$1 on every 5,000 bushels when wheat was \$2 a bushel. At present low prices it is estimated that the total tax paid by the local grain trade is about \$1,500,000 a year.

MUSSOLINI'S GRAIN

The soil of Italy is not exceptionally fertile. About 16 per cent of the land is mountainous or otherwise incapable of cultivation, and a large part of the remainder can be cultivated only with great difficulty. Wheat is the principal crop and amounts annually on an average to 132,000,000 bushels. This production is insufficient to the needs of the population and a great deal of wheat comes from other countries. The yield per acre is on an average 11 or 12 bushels, which is inferior to that of French or English land. Experiments, however, in some districts have shown that the land can be made to bear a much higher yield, since these tests have resulted in producing two and even three times as much as the average. The low yield was owing to primitive methods and to the exhaustion of the soil through bad farming. Improved methods and machinery are gradually being introduced, and the conservative prejudice of the rural class is being overcome.

HAY, STRAW AND FEED

NEW FEED DIRECTOR

When R. E. York died last month a vacancy was created on the Board of Directors of the Central Retail Feed Association. This has now been filled by the appointment of M. A. Joshel, Geneva, Ill., as a director. Mr. Joshel is an Illinois feed dealer.

UDELL NEW HAY DIRECTOR

Owing to the death of B. F. Tyler, the first vice-presidency of the Kansas City Hay Dealers Association was left open, and that organization now has asked George E. Curtis, of the Curtis Commission Company to succeed Mr. Tyler, who died last month. F. H. Udell, of the Ralston Purina Company, was in turn, appointed as a director to fill Mr. Curtis' place on the directorate. Mr. Udell is one of the youngest men in the association. He received his training under John Caldwell, Merchants Exchange director of the Ralston Purina Company in St. Louis, Mo.

NEW HAY INSPECTORS

The United States Department of Agriculture announces that an agreement has been made with the Fort Worth Grain and Cotton Exchange whereby Federal hay inspection will be available in that market after November 1. R. R. Stuard of the Exchange Inspection Department has been licensed as Federal hay inspector. An agreement has also been made with the Wyoming Department of Agriculture which will make hay inspection available in the Powell Irrigation District in that state. Leo L. Werts will be the inspector with headquarters at Powell, Wyo.

CUBAN RACES AID HAY MEN

This month is an active one in the importation of hay for Cuba, on account of the amount of feed required for more than 800 horses which are expected to be landed in Havana between now and the end of this month, for this year's horse races. October sales to the islanders showed a gain over September's volume of hay imports, 954 bales. In September, 1924, 1,794 bales were bought, and in 1925, 1,752 bales. September was the smallest hay month this year with the exception of May and June; these months averaging 350 bales per month.

EXPORT FEED AT \$2.20 PER BAG

Just 2,958,526 pounds of non-medicinal prepared feeds were exported from the United States during September, the latest month for which Government figures have been submitted. This volume is equivalent to about 30,000 100-pound bags with a value of approximately \$2.20 per bag. The total wholesale value is placed at \$64,106. Germany, Cuba, Bermuda and the Netherlands, in the order named were the principal buyers.

Canada was the largest buyer of hay in September; Mexico took the most bran; while honors in screenings went to Cuba.

ELEPHANTINE TEMPER DEPENDS ON HAY

To animal trainers and keepers it is well known that the docility of the captive elephant is in a great measure dependent on its hay supply. Even a small elephant must have at least a bale of hay a day to be kept in good humor. Not so long ago, southern press dispatches carried the news of three circus elephants breaking their chains and going on a rampage, causing damage that puts the proverbial bull in a china shop, to shame. The uprising was attributed to delay in giving the beasts the usual ration of hay. In this connection, it is interesting to recall the time when the Chicago building now occupied by Elam Mills, was used for circus animal headquarters. The building stands at 304

S. Robey Street, in the heart of a thickly populated district bordering on Jackson Boulevard.

One elephant quartered there, dissatisfied with the quality or quantity of hay given him, broke out of bounds and held traffic police and riot squads, to say nothing of the residents of the district, at bay and in terror for nearly an hour until lured into reasonableness by sight of fresh hay offered by the keeper.

In the East, where elephants are trained for circus and vaudeville acts, they are disciplined in many cases by a system of hay penalties and bonuses. They are intelligent enough to be easily trained in this way. Most elephants, it is reported, prefer Timothy hay to Alfalfa or Clover hays.

RE-ELECTED FOR SEVENTH TIME

For the seventh consecutive year, Fred M. Williams has been elected president of the New York Hay Exchange Association.

Mr. Williams' company, W. D. Power & Co., has just celebrated its twenty-fifth anniversary. He has



FRED M. WILLIAMS

also been active in the New York Hay & Grain Dealers Association and the Horse Publicity Association of which he was founder.

Other officers re-elected were: Charles S. Carscallen of Carscallen & Cassidy, first vice-president; A. F. Fisher, second vice-president; A. J. Nuttall of McAllen & Nuttall, treasurer; R. J. O'Brien, secretary; T. P. Huffman, Charles La Due and H. S. Hotelling to membership in the Board of Directors.

REPARATION ON HAY

Examiner J. J. Williams of the Interstate Commerce Commission, has recommended an award of reparation in the case of the Toberman Mackey Company vs. the C. B. & Q. Railroad. He concludes that present rates on hay from certain points in Illinois to St. Louis, Mo., are "inapplicable", and that some other rates are unreasonably high.

Sixty-four shipments are involved. Thirty-one of the shipments originated at Plymouth, Augusta, La Prairie, Golden, Camp Point, Coatsburg, Palona, and Fowler, Ill., referred to as the western group, and the remainder originated at Adair, Astoria, Ipava, Rock Bridge and Table Grove, Ill., referred to as the central group. The examiner said commodity rates were not specifically provided from the points of origin and charges were assessed on a basis of 17.5 cents from points in the western group and 15.5, 16.5 and 17.5 cents from points in the central group. At the time of movement, commodity rates

of 14.5 cents, prior to January 27, 1924, and 15.5 cents on and after that date, were in effect from Cameron, Monmouth and Seehorn, Ill., to St. Louis.

The tariff publishing these rates contained an intermediate clause under which the examiner found that the applicable rates from points in the western group were those contemporaneously in effect from Cameron and Monmouth. He also found that the rates charged from the central group were unreasonable to the extent they exceeded the rates contemporaneously in effect from Cameron and Monmouth.

COWPEAS ON INCREASE

Nearly every important producing state reports more cowpeas than last year. The largest percentages of increase are in Georgia, western South Carolina, North Carolina, southern Illinois, and northern Alabama. Greater production is due to big increases both in acreage and in yield per acre, according to the United States Department of Agriculture.

Weather during the growing season was good in most sections. Likewise during harvest, weather was favorable except in the southern districts of Illinois, Indiana and Missouri. Harvesting began later than last year in most sections. Carryover is regarded smaller than usual because of the small 1925 crop and the good late spring demand.

Prices offered to growers were much lower than last year. Late in October growers were offered on the average \$1.80 per bushel, thrasher-run, compared with \$2.60 last year.

GOOD TRADE AT STEADY PRICES

By C. K. TRAFTON

Speaking in a broad general sense, matters in the New York market have been fairly satisfactory in the local hay market during the past month. It is true that there has been some slackening of trade latterly, but previously a good business was done, especially in the better grades, with lower descriptions also enjoying a fair degree of activity. Taking the month as a whole, the daily arrivals averaged smaller volume, and hence prices have held decidedly steady as a rule. This was especially so in the case of the lower grades, which made up a much smaller proportion of the daily receipts, and as a consequence receivers had less difficulty in disposing of No. 3 hay in medium bales at \$21@23 and in large bales at \$22@24. On the other hand, with the bulk of the arrivals running from No. 2 to good top No. 1, there has been a fairly large supply of No. 1 in large bales. While this is still quoted at \$26@27, it is said to be more difficult to secure the top price. The arrivals have also been running more to large bales and as the previous excess supply of small bales was fairly well cleaned up, there is less distinction as to price between the two sizes. The falling-off in arrivals was traceable partly to freight tie-ups and to wet weather and the fact that farmers generally were busy with other matters. According to conservative and experienced traders, there is little likelihood of noteworthy price changes before the end of the year. They also express the opinion that some interior shippers are buying hay in the country at relatively higher prices than can be secured in this market.

FEDERAL BEAN INSPECTION BEGUN IN INTERMOUNTAIN STATES

Arrangements have been completed by the Bureau of Agricultural Economics, United States Department of Agriculture, for establishing Federal state bean inspection in Montana, Wyoming and Idaho, and Federal bean inspection in Colorado. An inspector has been licensed at Billings, Mont., in co-operation with the Montana Department of Agri-

culture; one at Worland, Wyo., in co-operation with the Wyoming Department of Agriculture; and several in Idaho in co-operation with the Idaho Department of Agriculture. These Idaho men will be stationed at Twin Falls, Boise, Lewiston, and at such other points in the state as the service may be needed. These three state Departments of Agriculture have adopted as state standards the United States standards for beans recommended by the Bureau of Agricultural Economics on September 1, 1926, and the inspectors licensed in these states will issue joint Federal-state certificates showing the grade of the beans in accordance with Federal standards. These inspectors may when requested to do so, show on the certificate, in addition to the Federal grade, the grade of the beans by any other standards with which they are familiar.

The service in Colorado has been inaugurated in co-operation with the Denver Grain Exchange, two of their grain inspectors being licensed as Federal bean inspectors. These men will use Federal standards and issue Federal certificates in the same manner as the Federal-state inspectors in the other three states.

RECEIPTS ADVANCE OVER LAST YEAR

The Martin Grain Company, St. Louis, Mo., in its letter of November 9 says: Posted receipts of hay today 32 cars against 19 this date last year.

The Timothy hay market is ruling firm, there being a very excellent demand for standard and good No. 1 Timothy which is selling readily at full quotations. The medium grades are in more liberal supply and are quiet but steady. The approaching cold weather is stimulating the demand for feed and we may look forward to better prices within the next week.

Light Clover Mixed hay continues in scant offering with a good demand for No. 1 and a fair demand for No. 2.

Heavy Clover Mixed hay both No. 1 and No. 2 is scarce and in excellent request, relatively high prices being paid for heavy Clover Mixed.

Pure Clover hay scarce and wanted. The demand is urgent.

Alfalfa market unchanged. There continues an excellent demand for high grade Alfalfa suitable for dairy feed and a fair shipping demand for the medium grades.

Prairie hay market quiet, there is a fair demand for No. 1 but No. 2 and lower grades are in liberal supply and quiet.

TURKEY FEED SIDELINE FOR NORTHWESTERN ELEVATORS

The hammer mills and attrition feed mills in dozens of elevators in the turkey territory of the Northwest have been busy for many weeks now grinding made-to-order feeds for the Thanksgiving turkeys which are now on their way to the city markets. In the Dakotas, Wisconsin, Minnesota, and other adjacent states, turkey raising is attaining the proportions of an industry, and the correct feeding is naturally a subject of prime importance. Here is the varied ration that goes far toward making that delicious meat which you will be enjoying on Thanksgiving day.

Turkey poults are first started out cautiously on water, then given grits and finally some finely cut Alfalfa leaves. Thus, Alfalfa becomes in reality, the first feed. It is then supplied as part of the ration every day in the year to both old and young fowls. Hard-boiled eggs, mixed with 90 per cent bran middlings, cornmeal, and ground oats are then fed for the balance of the first two weeks. They have plenty of buttermilk before them at all times.

After the poults are a fortnight old, cottage cheese is fed. From this period on, this cheese forms 50 per cent of the ration. Ground grain, cottage cheese, and the high percentage of worms, grasshoppers, etc., as well as a large amount of vegetation secured on the Alfalfa range, make a complete ration. Where an artificial method of feeding is necessary the ration should contain 50 per cent protein.

When turkey poults are put on the Alfalfa range

and given the run of a large tract, a mixture of 25 pounds of ground Yellow corn, 25 pounds of ground oats, 30 pounds of bran, and 20 pounds of middlings, together with 50 per cent of cottage cheese and all the buttermilk they will take, is a suitable ration to use up to marketing time. Wood ashes, grit, and charcoal should also be available to the turkeys. The extensive feeding of buttermilk finishes up the turkeys with a white skin and a soft, juicy flesh that is in such demand. A turkey consumes several times as much feed as a hen, so the elevators grinding grain for the turkey fanciers develop a substantial business on this feed sideline. The fourth annual Turkey Show will be held at Grand Forks, N. D., February 1 to 4, 1927.

MAINE AUTHORITIES EXPOSE DEFICIENT FEEDS

Over 90 per cent of the branded feeds examined by State of Maine Agricultural Experiment Station officials were found to have protein in excess of that guaranteed. A few, however, were deficient, and these are given as follows. "White Mule" Cottonseed Meal, guaranteed as 36 per cent protein, tested 34.76 per cent; "Triangle" Cottonseed Meal, guaranteed 41 per cent, netted an average of less than 40 per cent from two samples; Armour's 24 Per Cent Dairy Feed, tested 22.88 per cent; "Paragon" Dairy Feed, tagged as 22 per cent, analyzed 21.30 per cent; Stover's Pride 20 Per Cent Dairy Feed tested 19.13 per cent; Stover's Pride 24 Per Cent Dairy Feed tested 23.25 per cent.

"Purina" Calf Chow, manufactured by the Ralston Purina Company, Buffalo, N. Y., guaranteed 27 per cent protein, tested out to 25.13 per cent. "Bull" Scratch Feed, made by the Maritime Mills, Buffalo, N. Y., tagged as 11 per cent protein, netted 10.63 per cent. Some of the feed brands found to be in error are listed several times, some of the feeds for poultry, for instance, are found to be above the guarantee in protein, while another type of feed of the same brand is deficient. The information in detail is available in "Official Inspections", Bulletin 120, published by the experiment station.

Elevator owners, confronted with the problem of choosing a reliable brand of feed to handle as a sideline, will be interested to know that the following feeds are included among those which tested out safely on the plus side of their guarantees: "Globe Feeds", made by the Albert Dickinson Company, Chicago, Ill., "Quaker" Feeds of The Quaker Oats Company, Chicago, Ill., Staley's Corn Gluten Feed, Decatur, Ill., the Denver Alfalfa Milling Products Company's Alfalfa Meal from Lamar, Colo., "Larrowe" Feeds, Park & Pollard Feeds, Blatchford's Feeds, and "Gold Medal" Feeds.

NEW YORK FEED PRICES MOSTLY LOWER

By C. K. TRAFTON

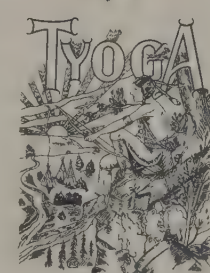
Conditions in the local market for feeds during the past month have been on the whole unfavorable to the selling element. As a general thing that period sees a good general buying movement under way, but in this instance the majority of buyers have shown no disposition to enter into forward commitments. For a time fair interest was shown in Red Dog and the oil meals, and a little was also done in bran, but on the whole, the general downward movement of prices merely served to make buyers more cautious than ever. Evidently they felt that prices were destined to go still lower in the near future; this idea being based on the larger arrivals from Argentina, the possibility of greater competition from that quarter, and the continuous decline in corn prices which are now down to the lowest levels of the season and, according to some, the end is not yet in sight, taking into account the large supplies of old crop corn remaining back in the country and the evident eagerness of farmers to dispose of their holdings in order to make room for their new crop. Moreover, a great deal is heard of a possible substantial curtailment of feeding demand because of the ravages of hog cholera. As a matter of fact, corn goods have led the downward movement, yellow hominy being about \$1.50 lower than a month ago and white hominy about \$2 lower.

NEW FEED BRANDS

"AJAX" poultry feeds. The Blair Elevator Corporation, Atchison, Kan. Filed July 13, 1926. Serial No. 234,460. Published October 19, 1926.

"MILKOID" cereal food in ground form for animals and birds. James Archibald Campbell, Toronto, Ont., Canada. Filed April 30, 1925. Serial No. 213,548. Published October 19, 1926.

"V. B." dried grains as a cattle food. Valentin Blatz Brewing Company, Milwaukee, Wis. Filed



MILKOID



WHITE RIVER

August 24, 1926. Serial No. 236,398. Published October 19, 1926.

"WHITE RIVER" scratch feed, chick feed and dairy feed. The Wallace Milling Company, Huntington, Ind. Filed May 11, 1926. Serial No. 231,461. Published October 12, 1926.

"TYOGA" pancake flour, buckwheat flour and chicken feed. Roy J. Dunham, Wellsboro, Pa. Filed August 31, 1926. Serial No. 236,676. Published October 26, 1926.

Trademarks Registered

219,280. Wheat flour and wheat millfeeds. The Mennel Milling Company, Toledo, Ohio. Filed June 18, 1926. Serial No. 233,451. Published July 27, 1926. Registered October 12, 1926.

219,500. Poultry and stock feeds. Andersen-Smith & Hamilton, Inc., San Francisco, Calif. Filed August 15, 1925. Serial No. 218,891. Published August 3, 1926. Registered October 19, 1926.

219,501. Poultry and stock feeds. Andersen-Smith & Hamilton, Inc., San Francisco, Calif. Filed August 15, 1925. Serial No. 218,890. Published August 3, 1926. Registered October 19, 1926.

219,573. Poultry feed. Universal Mills, Fort Worth, Texas. Filed May 17, 1926. Serial No. 231,771. Published August 3, 1926. Registered October 19, 1926.

219,574. Sweet feed for livestock. Universal Mills, Fort Worth, Texas. Filed May 17, 1926. Serial No. 231,773. Published August 3, 1926. Registered October 19, 1926.

219,867. Stock food. Sperry Flour Company, San Francisco, Calif. Filed June 18, 1926. Serial No. 233,464. Published August 17, 1926. Registered October 26, 1926.

219,927. Poultry and stock foods. Tioga Mills & Elevator Company, Barton, N. Y. Filed May 29, 1926. Serial No. 232,525. Published August 10, 1926. Registered October 26, 1926.

219,951. Poultry feeds. Nebraska Consolidated Mills Company, Omaha, Neb. Filed May 27, 1926. Serial No. 232,341. Published August 17, 1926. Registered October 26, 1926.

219,972. Stock feed. A. E. Staley Manufacturing Company, Decatur, Ill. Filed June 26, 1926. Serial No. 233,794. Published August 10, 1926. Registered October 26, 1926.

219,989. Mineral feeds for poultry, hogs and cattle. East Coast Trading Company, Baltimore, Md. Filed July 1, 1926. Serial No. 233,982. Published August 19, 1926. Registered October 26, 1926.

220,023. Feed for horses. Universal Mills, Fort Worth, Texas. Filed May 17, 1926. Serial No. 231,772. Published August 10, 1926. Registered October 26, 1926.

HAY MOVING SLOWLY

In its letter of November 11, the Toberman Grain Company of St. Louis says:

The arrivals of hay are running considerably lighter on both sides of the river. Market beginning to show some strength and very strong on Clover Mixed and Clover No. 2, and lower grades steady.

Good demand for Clover prevails. None arriving. Will sell to advantage at outside figures.

Arrivals of Alfalfa are lighter. Market steady. Good qualities wanted. Medium grades slow.

Choice grades of Prairie are in good demand. All other lower grades neglected and lower in value.

TEXAS HAY RATE CONDEMNED

The Interstate Commerce Commission, disposing of the controversy between the Arkansas Jobbers & Manufacturers Association and the Atchison, Topeka & Santa Fe, as well as other lines involved, points out that the rates on hay from points in the Texas "differential" territory and New Mexico, to points in southern Arkansas and northern Louisiana, are discriminatory against interstate commerce. A new schedule has been ordered.

DROP EGGS FROM AIRPLANE WITHOUT DAMAGE

Of indirect interest to the operator selling or grinding poultry feeds as a sideline, is the new fool-and baggageman-proof egg shipping container. No special feed, it is declared, was used to make extra hard shells for the eggs which feature the following unusual test. The merit of the cup-flat egg case filler over the ordinary plain cardboard filler was demonstrated by dropping a full crate of eggs more than 1,200 feet from an airplane without breaking an egg. The test was made at Curtiss Field on Long Island, to determine the maximum severity which present methods of packing will sustain without breakage.

SPROUTED GRAIN LURE FOR FEED TRADE

If you find some oats or other grain has sprouted don't let it worry you. Sprouted oats are unexcelled to increase the succulence and palatability of winter poultry rations. The more the grain is sprouted, the greater is your margin of profit, for 100 pounds of oats in sprouting, will absorb enough water to make about 350 pounds of feed. If a supply of sprouted grain is advertised locally, it is likely that poultry raisers will soon take all you have, and buy some of the feed carried in stock or ground at your plant, in addition to the sprouts purchased. Sprouted oats are so valuable as a feed ingredient that many poultry raisers buy oats, soak them for a day or 36 hours, and then spread out on large trays so that they can have a constant supply at hand.

SWEEPING HAY RATE REVISION ORDERED

The Interstate Commerce Commission, in a report written by Commissioner Cox, dealing with the case of the South Dakota Railroad Commissioners vs. the Chicago & Northwestern and other roads, has found unreasonable the rates on hemp from points in South Dakota, west of the Missouri River, to destinations in Iowa, Nebraska, Illinois, Wisconsin and Minnesota. It has ordered the carriers to revise their hay rates not later than January 3, 1927.

The complaint alleged the rates were unreasonable and unduly prejudicial to the territory hereinbefore mentioned. The report said similar allegations in respect of destinations in Montana, Missouri, Kansas and Colorado were withdrawn at the hearing and in the complainant's petition opposing the carriers' petition for further hearing.

Hay, wild and cultivated, is produced in large quantities in the territory of origin, the Commission's report declaring that much of the country's wild hay was grown in South Dakota, Nebraska, North Dakota and Minnesota.

The governors of Minnesota, North Dakota, Iowa and Nebraska were notified of the proceeding, because, as the Commission said, in effect, the com-

plaint alleged the rates under attack were unduly high in comparison with rates for similar distances within those states. Minnesota intervened in behalf of its rates and its shippers and filed briefs. North Dakota intervened but took no part. Neither of the other states participated in the case. The Greater Des Moines Committee intervened in behalf of the complaint.

GREEN MEAL REPARATION

A finding of unreasonableness and an award of reparation have been made in the case of the Jackson, Miss., Traffic Bureau vs. the Alabama & Vicksburg Railroad, as to joint rates on Alfalfa meal, carloads, from points in Colorado, Nebraska and Kansas, to Jackson, Miss. The Interstate Commerce Commission, by Division Three, found the joint rates unreasonable to the extent they exceeded or exceed the aggregates of intermediate rates to and from Memphis, Tenn.

Defendants claimed no reparation could be awarded to complainants because they bought the meal f. o. b. destination, but the Commission overruled that contention.

Commissioner Hall dissented, pointing out that there might be damage without injury. He said the Commission had no power to award reparation to one man for the damage done to another. Therefore, he dissented from the finding that the complainants were damaged and the award of reparation. In other respects he concurred.

FEED IN THE COTTON STATE

Over \$15,000,000 was spent by Louisiana farmers for feed last year. This is an estimate based on the 1919 report, showing a rural expenditure for feed of \$12,000,000. The average feed bill indicated by the 1925 Governmental survey was \$170 per farm in the St. Landry Parish (county), \$106 on the farms in the hill section of northwestern Louisiana, and \$176 per farm in the rice area. Much of the feed bought is shipped from distant areas and states. The state is one of the richest territories for commercial feed sales today, as there is a great scarcity of home grown feed.

FIGHTING COSTS IN FEED MILLS*

By J. M. ULLMAN, C. P. A.

To figure costs in feed mills so as to show each feed separately, such as mashed feeds, scratch feeds, etc., would take quite an elaborate cost system which the average mill cannot afford. Therefore, I am going to limit this discussion to figuring costs per ton on all manufactured feeds. A differential figure between mashed feeds, molasses feeds, and hard feeds can be easily arrived at by considering the difference in labor and power that it takes to make these different kinds of feeds; also the difference in selling expense. All other items of cost are practically the same for all manufactured feeds.

When I speak about costs I only mean manufacturing, selling and general overhead expenses. The cost of materials and bags, of course, must be figured every day for each and every feed, according to markets. To this cost of materials and containers then is added the total expense of making, selling and general overhead.

If a feed mill were selling only manufactured feeds, figuring costs per ton would be simple. One would take the total expense, including manufacturing, selling, and general overhead, and divide this figure by the number of tons shipped. But in addition to manufactured feeds practically all mills sell miscellaneous stuff such as cottonseed meal, bran, middlings, etc., which should be figured differently and separately for the following reasons:

1. The gross profit on such stuff is very small, so that this part of the business can stand only a certain limited proportion of the total expense.

2. Miscellaneous stuff is only handled, not manufactured or mixed, so that it does not take as much expense to "turn it over."

In accordance with the foregoing, we have de-

*Address delivered by Mr. Ullman at the meeting of the Central Retail Feed Association at Milwaukee, Wis., June 23.

vised a simple short system by which the cost of handling miscellaneous stuff is figured separately from the cost of manufactured feeds. The cost or charges per ton on miscellaneous feeds was arrived at by a careful study of a number of feed mills, large and small. There is little gross profit on miscellaneous stuff; consequently one cannot charge more expense than the traffic will bear.

Below is given a cost statement of a feed mill for one year, applying the method described above.

STATEMENT OF COSTS IN FEED MILL FOR A YEAR

Statistics:
Mdse. shipped: Hay 6,000 tons
Manufactured feeds .. 25,058 tons
Miscellaneous feeds .. 14,772 tons

Total 45,830 tons
Costs: Manufacturing costs; mfd. feeds: Mfd. feeds amount per ton
Labor \$40,484.40
Mfg. overhead exp. . 36,613.95

\$77,098.35
Less handling misc. feeds and hay 20,772.00 \$56,326.35 \$2.25

Selling expense per books \$47,023.70
Less selling misc. feeds and hay 13,386.00 \$33,637.70 1.34

General exp. per books... \$66,559.92
Less misc. feeds and hay 10,386.00 \$56,173.92 2.25

Interest, per books..... \$11,114.12
Less misc. feeds and hay 5,193.00 \$ 5,921.12 .24

Total cost per ton..... \$6.07
Summary of charges per ton on miscellaneous feeds and hay:

	Miscellaneous feeds	Hay
Handling	\$1.00	\$1.00
Selling .....	.50	1.00
General expense .....	.50	.50
Interest .....	.25	.25

Total per ton..... \$2.25 \$2.75
In analyzing this statement a little closer, you will note the following factors:

1. Statistical information, showing tonnage of hay, manufactured feeds, and miscellaneous feeds.
2. In figuring costs of manufactured feeds, we first show the total cost of all feeds, for instance, manufacturing cost, which is..... \$77,098.35
Deduct handling miscellaneous feeds and hay, \$1 per ton, per schedule..... 20,772.00

Balance, cost of manufacturing feeds.. \$56,326.35
Per ton, on 25,058 tons of manufactured feeds.. \$2.25
Selling and other expenses figured the same way:
First showing the total expense for the entire business; then deducting from this amount the expense for miscellaneous feeds and hay.

Please note that we have segregated all expenses as follows: Manufacturing, selling, general expenses, interest.

Delivery expense is not included in this statement, as this item should be figured only on tonnage delivered. Delivery expenses generally will run \$1.50 to \$1.75 per ton.

I want to add a few words about figuring the cost of grinding feed. The cost of grinding is different from cost of manufacturing in that grinding requires a great deal more power; in fact, in grinding, power is the largest expense item.

Below is an illustration of grinding costs for a mill using 24-inch grinder for one day:

Power, using 40 H.P. motor, eight-hour run, 320 kilowatt hours at 3½ cents..... \$11.20
Labor, two men, each \$4 per day..... 8.00
Manufacturing, overhead exp. (repairs, depreciation, etc.) 4.00

Total \$23.20
Tons ground, eight-hour run, two tons per hour, 16 tons
Cost per ton:

Labor \$0.50
Power70
Overhead expense25

Total \$1.15

IN October of this year, 1,878,066 bushels of wheat were shipped through the Port of Galveston, Texas.

THERE will be no wheat pool in New South Wales this year. It is possible, however, that a compulsory wheat pool may be put in operation for the next three seasons.

ASSOCIATIONS

FEED CONTROL OFFICIALS HOLD MEETING

On October 22, the Association of Feed Control Officials of the United States held its eighteenth annual meeting in Washington, D. C. The Executive Committee recommended the appointment of a committee on the relation of grades to definitions and standards, with special reference to the manufacture of corn chop from low grades of corn and other similar problems. This recommendation was adopted and the appointing of the committee was left to the new president.

The Executive Committee also recommended that the secretary be instructed to write a letter to poultry associations and journals calling attention to the fact that the definition of meat meal applies to both dry rendered and tanked products and suggesting that feeders note the requirement that the bag or tag must contain the word "tankage" or "cracklings" or both. The committee also recommended that present tentative definition for blood meal, meat meal, meat scrap, cracklings and digester tankage be adopted as official definitions. This was modified by an amendment proposed by Dr. Traps, that definitions of meat meal and meat scraps remain tentative and be referred to a special committee.

Various other committees reported, among them the Committee on Dried and Semi-Solid Buttermilk, which had the following to say:

The definitions for "Evaporated Buttermilk feed, Concentrated Buttermilk feed, Condensed Buttermilk feed" appearing under heading "Tentative Definitions" on Page 9 of the printed pamphlet is the original definition adopted in 1923. The definition was amended in 1924 and should appear as follows:

"Evaporated Buttermilk feed, Concentrated Buttermilk feed, Condensed Buttermilk feed, is the product resulting from the removal of a considerable portion of water from clean, sound buttermilk derived from natural cream to which no foreign substances have been added excepting such as are permitted and necessary in the manufacture of butter. It contains, all tolerances being allowed for, not less than 27 per cent of total solids, not less than 2 per cent of butterfat, and not more than 14/100 per cent ash for each per cent of solids. This definition does not prohibit the use of a distinctive trade name, provided it is followed by one of the names given."

The committee recommends that the above definition remain tentative for another year. The committee also believes that the Committee on Condensed Buttermilk should be continued, so that if conditions demand it a study can be made of the subject of condensed skimmed milk or other milk by-products that might be used for feeding purposes.

Section 8 of the constitution was amended by the addition of the following language:

Members of other committees shall be appointed by the president for terms of not more than three years, and in such manner that the terms of at least one-third of each committee membership shall expire each year.

A Resolutions Committee consisting of W. F. Hand, chairman, H. H. Hanson and J. K. Haywood, was appointed to draft appropriate resolutions covering the death of Dr. R. E. Doolittle, chief of the central district, United States Bureau of Chemistry; the entertainment provided by Dr. Frisbie's committee; the entertainment provided by Mr. Brown on behalf of the American Feed Manufacturers Association; and the management of the Willard Hotel for their courtesy in providing facilities for the meeting.

The following committee was appointed to study Alfalfa products: F. D. Fuller, Texas, chairman, and George E. Grattan, Ottawa, Canada.

Others who addressed the convention included President F. D. Fuller (who spoke to a joint meeting of the Association of Feed Control Officials of the United States, the Association of Dairy Food and Drug Officials, and the Association of Agricultural Chemists), Dr. W. H. Stroud and Howard E. Gender.

One of the most prominent speakers was W. E. Suits, president American Feed Manufacturers Association and vice-president of the Quaker Oats Company. His topic was the "Economic Development of Commercial Feeds," and he said, in part:

MR. SUITS'S ADDRESS

The commercial mixed feed manufacturer serves a distinct economic purpose. He offers feeds containing the advantages of wide assortment and good balance, made from the best materials in their classes, milled and blended in perfection. He also supplies feeding directions which meet the needs of the individual case.

The larger feed manufacturers maintain staffs of feeding experts who are graduates of the agricultural colleges, and often men who have been prominent as educators in the science of feeding and nutritional matters. These men keep abreast with the latest developments in animal nutrition, are supplied with experimental farms for original research and to test the practicability of incorporating these new developments in the feed formulas for various kinds of animals. They likewise are the source of information incorporated in the feeding instructions and have the direction of other men who visit the feeders. This is

work of distinctly educational character and includes the subjects of care, housing, breeding, etc., as well as that of the feeding of the animals. Enormous quantities of literature covering all of these points are distributed by the manufacturers, running into millions of copies of books and circulars. Along this same line they likewise contribute radio talks, also lectures, frequently with moving picture illustrations covering the entire line of poultry and animal husbandry subjects in which the hearers are interested. These manufacturers likewise use great quantities of advertising space in the farm and breed papers, frequently carrying timely messages of educational value to the readers only indirectly connected with the product advertised. Undoubtedly this work is of great help and unlimited inspiration to the farming community.

Why Manufacturers Can Serve Best.

The commercial mixed feed manufacturers have strategically well located large milling plants with the most modern machinery for the assembling and manufacturing of their products. The whole world is their field from which to make selection of ingredients; this enables them to not only secure a much wider variety than is possible in a locally mixed ration, but they are likewise in a position to take advantage of the cheapest and best sources for the materials which will give the results required. They maintain laboratories at the plants to analyze the ingredients as they arrive and thereby know they conform to requirements; they likewise make frequent analysis of the finished products and know that they are as represented. The buying and storage capacity of these institutions enables them to take advantage of market conditions, which permit them not only to



W. E. SUITS

maintain a low average of cost, but to be assured of stability of formulas.

The mills are equipped with machinery to carefully measure the ingredients, which are stirred and mixed until they are no longer an assortment of individual items, but rather a complete blend which becomes a unit, so that an animal as small as a chicken gets the complete ration without mouthful. Two men operating one of these mixing units can turn out a couple of hundred tons of feed a day at only a few cents expense per ton.

The result of these methods and equipment is enormously superior to that which can be secured from mixing rations in a barn or a feed store and serves an immensely important economic principle of giving the feeder a well-balanced ration at a moderate cost without labor or scientific knowledge on the part of the feeder.

Utilization of By-Products.

Dr. Armsby's experiments demonstrated that if wheat were fed directly to beef cattle or sheep the return to the family table would be 23 per cent of the food value, whereas if the edible part of the wheat were eaten by man and the by-products fed to beef cattle and sheep, there would be a recovery of 70 per cent of the entire food value of the wheat. If fed to pigs and dairy cows, the results would be 57 per cent and 77 per cent, respectively.

In the case of oats, 16 per cent of the food value is recovered if fed directly to the sheep and beef cattle and 58 per cent where the oatmeal is eaten by human beings and the by-product fed to the animals. This comparison is 40 per cent and 84 per cent when the animals are pigs or dairy cows.

In the case of corn, the results are very much the same as with wheat. In his summary, Dr. Armsby says: "The animal performs the more important function in the utilization of products inedible by man. By-products, even though not food for man can, through the animal be made tributary to man's support. It is clear, then, that the endeavor should be to utilize as large a proportion of vegetable products as is possible directly as human food, leaving only the by-products to be fed to stock."

In the production of flour, cereals and oils there is a vast amount of by-products, and as a matter of food conservation, none of it should be wasted. Probably in the case of bran, middlings, cottonseed and linseed products, very little is lost, but there is a tendency to misunderstand, undervalue and condemn certain other by-products which are produced in great quantities within our boundaries.

The time is at hand when all of these things must be conserved and it should be the study of the scientists to find ways of getting more value out of these so-called lower grade feed materials. The manufacturers who are endeavoring to the best of their ability to put these materials into a merchantable condition by grinding, blending, and otherwise treating, should be encouraged in their efforts to increase the national supply of feed materials.

One of the most interesting days that I ever spent was in 1922, when by appointment I had a call from a member of the Forestry Division, United States Department of Agriculture, who wanted my judgment regarding the commercial possibilities of a product which he had recently developed. He had succeeded in hydrolizing sawdust, and by that process he had made in quantities a feed worth 50 per cent of the carbohydrate value of corn. Experiments were carried on at the Wisconsin Agricultural Experiment station. After we had discussed the matter at length with relative values, I decided that his product had no commercial importance at the time, but urged that a careful record of the process and tests be kept where it could be located in later years, foreseeing that developments in population, and limitations in food production, might make a very great difference in conditions at some future date.

The following are the officers of the Association: President, B. B. Ross, Alabama; vice-president, P. H. Smith, Massachusetts; secretary-treasurer, A. W. Clark, New York; and newly elected member of the Executive Committee for three-year term, J. W. Sample, to succeed himself.

CONVENTION CALENDAR

November 16-18.—Farmers Elevator Association of Nebraska and Farmers Managers Association of Nebraska, at Hastings, Neb.

November 20.—Western Seedsmen's Association, at Hotel Baltimore, Kansas City, Mo.

December 1-3.—Farmers Elevator Association of South Dakota, at Watertown, S. D.

December 6-7.—Wholesale Grass Dealers Association winter meeting, at Chicago, Ill.

January 25-27.—Twenty-third annual convention of the Farmers Grain Dealers Association of Iowa, at Fort Dodge, Iowa.

February 15-17.—Farmers Elevator Association of Minnesota, at the West Hotel, Minneapolis, Minn.

February.—Farmers Grain Dealers Association of Illinois, at Jacksonville, Ill.

March 1-3.—Annual convention of the North Dakota Farmers Grain Dealers Association, at Minot, N. D.

OHIO GRAIN DEALERS MEET

The forty-seventh annual fall meeting of the Ohio Grain Dealers Association was held at the Southern Hotel, in Columbus, Ohio, November 9. The meeting was a very interesting one despite the fact that demands on their time kept a number of the members away. The corn borer situation was explained in detail by Dr. Parks and the review of the facts made it clear that there can be no doubt that the situation in certain localities is a serious one and something must be done.

Regarding the Winter wheat acreage, a few shippers located in sections where a small crop was produced this year reported an increased acreage, but the majority said the acreage was smaller, and indications are that the acreage in the state will be 15 to 20 per cent less than a year ago. On the way from Toledo to Columbus one observer noticed quite a number of machines in fields threshing oats; something unusual, but judging from the condition of the oats could not have been so bad even though they have been out in the field since harvest.

A resolution was passed requesting President Coolidge to remove the import duty on Red Clover seed. The duty is now 4 cents per pound, and the object of the resolution is to help the farmer obtain Red Clover at a more reasonable price.

FEED MEN IN SOUTH MEET

The Southern Mixed Feed Manufacturers Association held its first annual convention November 9, with headquarters at the Andrew Jackson Hotel in Nashville, Tenn. A large number of manufacturers of feeds and by-products turned out for the meeting and an encouraging interest was shown by all who were present. For a new organization—having been launched only a year ago in Memphis—the Association has made some excellent progress and got a good start on the projects for which it was formed.

J. B. Edgar, Memphis, president of the Association, made the opening address, and a response was given by George G. Keith, of Nashville, vice-president. Dr. J. W. Sample, state chemist of Tennessee, spoke on the subject of "Feed Standards," and E. P. MacNicol, secretary, talked on "Publicity and Educational Extension." "Our Proposed System of Cost Accounting" was the subject of an address by J. C. Sanders, of Cleveland; and A. T. Pennington, of Memphis, introduced the discussion of the uniform sales contract.

The Nashville Committee included George G. Keith, general chairman; William Boyd, hotels and reservations, and Lloyd Haynes, golf tournament.

FIELD SEEDS

SOUTH AMERICAN ALFALFA HEARING

As we go to press (November 15) a public hearing is being given at the United States Department of Agriculture is as to the adaptability of South American Alfalfa seed.

This hearing is held in accordance with the provisions of the Federal Seed Act prohibiting importation of all Alfalfa and Red Clover seed unless colored as required by special regulations. The purpose of this hearing is to determine whether or not Alfalfa seed from any portion of South America should be given the warning 10 per cent red color to indicate that this seed is not adapted for general agricultural use in the United States.

Written testimony will be considered if received in the Department not later than November 20.

TIMOTHY SEED TESTS POOR IN OHIO

Germination tests at the Ohio Agricultural Experiment Station do not augur well for Timothy in that state this year.

Up to the first of October an average of only 62 per cent of the seeds in samples tested have sprouted, the samples ranging from 30 to 90 per cent. The quality of the 1926 seed is far lower than that of the 1925 seed, the samples of which are averaging 92 per cent.

Much of the seed of this year's crop is small, discolored, and moldy or molds readily in the germinator or in the ground.

As Timothy seed does not lose its viability for several years it would seem advisable, says the Agricultural Experiment Station, for those who have a supply of last year's seed to sow it in preference to this year's seed. If this year's seed is sown it will be necessary in many cases to increase the rate of seeding to insure a good stand. With the poorer quality seed it would be necessary to double or even treble the usual amount of seed per acre.

SOYBEAN CROP LARGER

The Seed Division of the United States Department of Agriculture, reports that commercial production of soybeans in this country is slightly larger than it was last year. Growing conditions in most states have been favorable the fore part of November, but the drought in North Carolina, has effected a 15 per cent decrease in the harvest, and thus has offset the gain in yields in several other states.

Harvesting of the crop began a little later than last year in a majority of sections. Up to October 20 about 55 per cent of the harvesting in states other than North Carolina had been completed, compared with 60 per cent last year. In eastern North Carolina less than 5 per cent of the crop this year and 15 per cent last year had been harvested by that date. Prices were not well established in many sections and averaged less than last year. Offers to growers for the cheaper varieties averaged about \$1.25 per bushel for thresher-run, compared with \$1.45 last year. Carryover of soybeans was probably the smallest in several years due mainly to an unusually good demand last spring.

ALFALFA SEED CROP SMALLER THAN LAST YEAR

Alfalfa seed production is expected to be 5-15 per cent smaller than the large crop of last year. The United States Department of Agriculture estimates the production at 50,000,000 to 55,000,000 pounds of country-run seed compared with 56,500,000 pounds last year. The higher revised figures for 1925 are due mainly to the fact that, in past years, figures reported for some of the states were on a clean seed basis while those for other states were on a country-run basis. Furthermore the revised figures include much seed that does not enter commercial channels.

The decrease this year is due mostly to a marked reduction in the production in Utah, which last year contributed about 47 per cent of the total crop of the United States. Other states which probably produced less seed this year are Montana, Arizona, and California. The decreases in these states, however, are nearly offset by increases in Kansas, Nebraska, Oklahoma, Texas, New Mexico, South Dakota, North Dakota, Minnesota, Colorado, Wyoming, and Oregon, notwithstanding the fact that several of these states produce relatively small commercial supplies of seed.

The acreage for seed in the country as a whole

was larger than last year and the yield per acre in a majority of states was also larger. The decreased yield, however, in a few of the most important states was largely responsible for the 5 per cent to 10 per cent reduction in production. The average yield per acre of 455 growers, whose aggregate production amounted to about one-sixteenth of the total crop of the United States, was 190 pounds, compared with 210 pounds last year.

CANADIAN SEEDSMEN ELECT

On September 30, the Canadian Seed Trade Association met at Toronto, Canada, with members present from Calgary, Brandon, Winnipeg, Windsor, Hamilton, Ottawa, Montreal and Toronto.

A. O. Hogg of Toronto was re-elected to the presidency; the following also being re-elected, W. McWilliam, Montreal, vice-president; Col. W. H. Bruce, Hamilton, secretary-treasurer; directors, E. F. Crossland, Toronto, and Thomas Rennie, Toronto.

A FAIR EXHIBIT—AND BACK OF IT

The exhibit of T. W. Wood & Sons seed dealers of Richmond, Va., at the Virginia State Fair held in October this year attracted much attention, not only because of its tasteful arrangement, but also

Streets being just around the corner from Richmond's fashionable shopping district.

Of special interest to grain men, though, is the big warehouse on Eighteenth Street, shown in the smallest picture. From here are shipped the well-known Eureka and other ensilage corns for the planters throughout Uncle Sam's domain, and to other countries, for Virginia-grown ensilage corn now has world-wide fame. The Woods call it "the corn that makes silos profitable".

The seed-testing laboratory here illustrated is of untold value to those who desire no seeds but



THE WOOD COMPANY'S WAREHOUSE

those of highest germination and purity. The work here done has had no small part in making the enviable reputation of Wood's Seeds.

The firm is now composed of William P. Wood, Robert W. Wood, Gordon F. Wood and Thomas Whittet, all of whom have been in the business from boyhood, and, knowing the importance of lifetime experience in a calling of so many ramifications, they have also surrounded themselves with men of long training. This, together with a most complete array of machinery for cleaning every kind of seed, seems to strengthen their claim to "unexcelled facilities for supplying the best."

Once a month, Wood's Crop Special goes out, free of charge, to the company's customers. Through it, is made known the latest seed development and market prices, and much other information of value and interest to farmers who buy Wood's seeds. Further direct advertising is accomplished through its fall catalog which not only tells what the Wood company has for sale, but is designed to be a real



T. W. WOOD & SON'S STORE AT RICHMOND, VA.

because, showing such a wide range of crops, agricultural as well as horticultural, it told more plainly than in words how a many-sided seed house touches the living of all of us. Inspection of the picture showing this exhibit tells us that this enterprising Richmond seed house handles "Everything for Farm and Garden." This is not the only Wood exhibit which has been placed before the public this year, for the company has also had booths at the Spotsylvania Fair, Chesterfield Fair, Tappahannock Fair and the Great Orange Fair.

The founder of the house, T. W. Wood, started the



SEED EXHIBIT AT VIRGINIA STATE FAIR

help to the farmer and gardener. Of this the T. W. Wood & Sons say: "The information contained in this catalog can be relied upon as dependable, accurate and up-to-date, being written from experiences in the seed business of nearly 50 years—just real facts about seeds adaptable to southern conditions, and one that we feel is worthy of every farm library." It is this spirit of helpfulness which has brought this Richmond seed house the success it enjoys, and the prosperity which is to follow it throughout many more years.

WHITE CLOVER IN LOUISIANA, IDAHO AND WISCONSIN

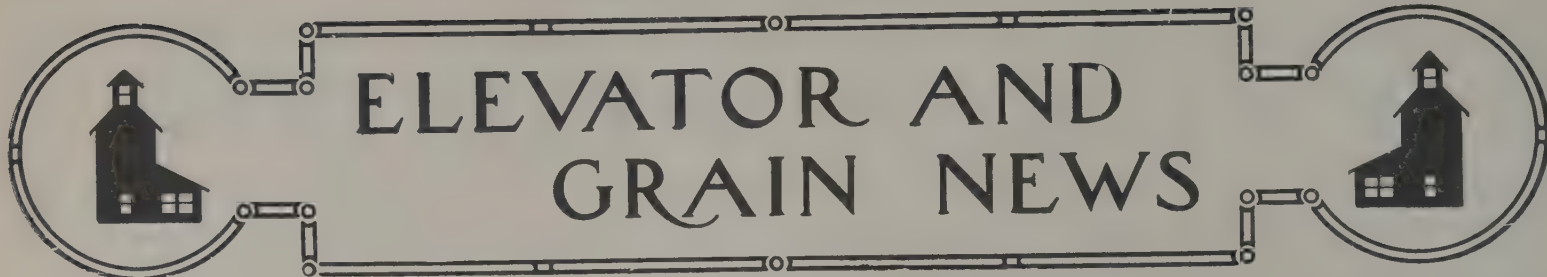
Approximately 200,000 pounds of White Clover seed was produced in Louisiana this year, according to the United States Department of Agriculture. Yields are reported to have been unusually good on heavy clay land free from grasses but in fields where there was considerable grass the excessive spring rains induced such a heavy growth of grass that the White Clover plants did not produce much seed. Losses from shedding, due to rains that occurred after seed had matured, were reported. Unsatisfactory prices offered to growers last season had a tendency to keep the acreage from increasing. Most of the 1925 crop was not sold by growers until this spring; some was not sold until the latter part of August. Growers received mostly \$22-\$24.50 per 100 pounds for their 1925 crop. Harvesting of the

(Continued on Page 326)



A CORNER IN THE SEED TESTING LABORATORY

seed business in a modest way in Richmond, Va., in 1879. There are now, besides the Fourteenth Street Store shown, two stores adjacent to the public market; the newer one, at Fifth and Marshall



THE DAKOTAS

The elevator of the Farmers Grain Company, Mountain, N. D., is to be wrecked.

The elevator of the Farmers Equity at Gronna (Rolla p. o.), N. D., has been sold.

A new scale has been installed by the Interstate Farmers Elevator at Drayton, N. D.

Two gas pumps have been installed by the Farmers Elevator Company of Harvey, N. D.

A motor driven grain tester has been installed in the Empire Elevator at Bowman, N. D.

The elevator of the Carpio Grain Company at Carpio, N. D. has been bought by Paul Paulson.

The elevator of C. C. DeBoer at Davis, S. D., has been bought by Henry Schneidermann who has torn it down.

The Farmers Co-operative Company, whose elevator at Philip, S. D., burned, is to rebuild it within a short time.

The Montana & Dakota Grain Company has installed a separator in its elevator at Watford City, N. D., and one at Nekoma.

L. D. Davidson is now manager of the Farmers Elevator Company at Wolford, N. D. He was formerly buyer for the Cargill Elevator Company.

The Venlo Grain Company at Venlo, N. D., has been bought by A. E. Carter and Leslie S. Legg who are operating the business as Carter & Legg, Inc.

E. B. Nelson of Wahpeton has bought the property of the H. W. Worner Grain Company at Tyler, N. D. He has already begun operations at the property.

The old Mattson Elevator located at South Sheyenne, N. D., which was owned by the Sheyenne Co-operative Elevator Company, has been sold and is being torn down.

A three-unit cleaner, an attrition feed mill and electric power for the whole plant have been installed by the St. Anthony & Dakota Elevator Company of Arthur, N. D.

The elevator of the McDoone Grain Company at Minot, N. D., has been leased to the Valke Christenson Seed Company. The McDoone company has gone out of business.

J. J. O'Connell is manager of the elevator at Wagner, S. D. Mr. O'Connell was formerly manager at Dixon, Neb., for the Mullaney Grain Company where he is succeeded by F. J. Hopkins.

The interest of S. H. Elrod in the Elrod & Henry flour mill and grain elevator at Clark, S. D., has been sold by him. Oscar Geise and Mrs. Henry are now associated with Mr. Henry and the business will hereafter be conducted as Henry, Geise & Co.

The Andrews Elevator at Heaton, N. D., which Mr. Klinger bought recently, is to be operated by him under the name of the Klinger Grain Company. He will build an annex this fall and will remodel the elevator. A feed mill and a 25-horsepower Fairbanks Engine are being installed.

OHIO AND MICHIGAN

Business has been discontinued by the Kingston Grain Company of Kingston, Ohio.

Capitalized at \$50,000, the Colon Elevator Company, Inc., has been incorporated at Colon, Mich.

A sheller has been installed by the West Mansfield Elevator Company of West Mansfield, Ohio.

A grain conditioner costing \$8,000 is being built at Mansfield, Ohio, for the Cleveland Milling Company.

A new grain elevator has been opened at Laingsburg, Mich., by the Breisch Company, grain and bean buyers.

A \$3,000 drier has been bought by the Stanton Elevator Company of Stanton, Mich., to handle wet grain and beans.

New coal sheds and an unloader have been built for the New Haven Farmers Elevator Company of New Haven, Mich.

A new line shaft and truck scales have been installed in the elevator of the Elkenberry Bros. Company of Collinsville, Ohio.

The National Milling Company of Toledo, Ohio, will double its elevator capacity which will bring the total capacity to 2,225,000 bushels. The con-

tract has not yet been let. The mill is owned by the National Biscuit Company.

The grain office of the Royce Coon Grain & Feed Company, Bowling Green, Ohio, is now located in building adjoining the elevator.

The wholesale commission business of Hilliker & Wren at Bellefontaine, Ohio, has been bought by Ritter & Sons, grain and hay merchants.

W. C. Page & Co., grain and feed dealers at Ionia, Mich., have retired from business. Edward H. Spencer and Otto L. Rubach will carry on the business.

George Zeisler has resigned his position as manager of the Zeisler Grain Company of Lucasville, Ohio. Frank Farmer of Columbus succeeds him in this position.

The Adrian Milling Company has taken over the property of the Detroit Milling Company at Adrian, Mich., including grain elevators and feed mill which are now in operation.

The Hub Farmers Grain Company has completed its new 30,000-bushel elevator at Bowling Green, Ohio. This replaces one which burned several months ago.

The grain elevator of the defunct Farmers Co-operative Company at London, Ohio, has been sold by Farrar & Watts, who bought the property some time ago, to William Smith of London.

C. S. Klopp is now manager of the Farmers Elevator Company at Eaton, Ohio. He was formerly manager of the Farmers Grain & Supply Company and for several years was with the Eikenberry Bros.' elevator at Collinsville.

The Cotterman Elevator at Trotwood, Ohio, has been bought by J. F. Stewart, owner and operator of elevators at Brookville, Englewood and Union. The elevator at Union has been consolidated with that at Englewood and Harry Schmidt has been transferred from Union to Englewood, and Glen Furnas from Englewood to Trotwood.

ILLINOIS

F. A. Taylor has sold his elevator at Knoxville, Ill., to Gottrick Bros.

Thomas Crowe is manager of the Graham Elevator at Freeport, Ill.

The Farmers Elevator at Lake City, Ill., was offered for sale on November 1.

E. O. Lohman is the new manager of the Farmers Grain Company at Litchfield, Ill.

A 60,000-bushel storage plant has been built for the Pfeffer Milling Company of Lebanon, Ill.

Raymond Baskerville is no longer manager of the Symerton Grain Company, Symerton, Ill.

The Farmers Co-operative Grain Company of Heyworth, Ill., has installed a modern truck dump.

The Apple Siding Farmers Elevator Company at Apple Siding, Herscher, Ill., will not be dissolved.

James Hackett is now located with Rosentiel & Co., and will manage this company's elevator at Polo, Ill.

The Clifton Grain Company's property at Oakville (Wayside p. o.), Ill., has been bought by W. A. Pegram.

The Shawneetown Elevator Company of Shawneetown, Ill., is rebuilding its elevator which burned in September.

The two elevators and the property at Carrollton, Ill., have been bought by the Advance Mill & Elevator Company.

The Farmers Grain Company has bought the elevator of the A. B. W. Community Elevator Company at Atwater, Ill.

Howard Nash of Champaign, Ill., has bought the McKenna & Dickey Elevator at Matteson, Ill. He took possession November 1.

The old J. C. West Elevator at Glenavon (Weedman p. o.), Ill., collapsed and spilled about 25,000 bushels grain on the ground.

Articles of incorporation have been filed for the Valley Grain Company, Inc., of Galesburg, Ill., capitalized at \$60,000. The incorporators are H. H. Hugins, H. H. Potter and George E. Booth.

L. L. Moore who operated at Tolono, Ill., as Moore & Son has sold his grain business to C. A. Zelle and V. L. Horton, the other two grain dealers at that

station. Mr. Moore is with the Perrysville Grain Company of Perrysville, Ind., as manager, having bought the remaining interest in the firm.

Mr. Boyer succeeds Emil Mueller as manager of the Sherrard Lumber & Grain Company of Sherrard, Ill. Mr. Mueller was there for one year.

The storage elevators of the Stronghurst Grain & Merchandise Company at Stronghurst and Decorra, Ill., have been covered with corrugated iron.

The name of the Morris Grain Company of Morris, Ill., has been changed to the Morris Grain & Seed Company. Oscar Collins is president.

Philip Zenk is now manager of the Troy, Ill., elevator of the Valier & Spies Milling Company. In this position he succeeds Carl B. Schultze who resigned.

The interest of Aaron Campbell in the elevators at Chesterville, Ill., has been bought by his partner, Clarence Coombe. Bert Rollings is in charge as manager of both elevators.

A group of business men has bought the Nobbe Elevator at Nokomis, Ill., and has reorganized as My Elevator Company, capitalized at \$32,000. Mr. Noble, who has been in the grain business there since a boy, is retiring.

IOWA

The elevator at Tara (Ft. Dodge p. o.), Iowa, has been leased by E. W. Cook.

The Roth Elevator at Breda, Iowa, which burned recently, is not to be rebuilt.

A new coal house is being built at Somers, Iowa, for the Somers Elevator Company.

A new electric motor has been installed in the Farmers Elevator at Ashton, Iowa.

The Luton Grain Company of Luton, Iowa, has made plans for repairing its plant.

The Talbott Grain Company of Tingley, Iowa, is under the management of C. L. Oxenreider.

The Kunz Grain Company of Galbraith (Luverne p. o.), Iowa, has installed a new air dump.

The old Farmers Elevator at Sidney, Iowa, has been bought from the Good Bros., by J. B. Zuck.

The Farmers Grain Company, operating at Charter Oak, Iowa, has installed a new truck scale.

A new truck dump is being installed in the elevator of the Farmers Co-operative Society at Garner, Iowa.

The elevator, store, coal sheds, etc., of the Farmers Elevator Company at Racine (Alden p. o.), Iowa, have been sold.

The elevator of the Consolidated Grain & Lumber Company at Gladbrook, Iowa, has been remodeled and a grinder installed.

The elevator of the Farmers Supply Company of Mediapolis, Iowa, has been enlarged and equipped with new machinery.

The Galt Co-operative Grain Company of Galt, Iowa, has its new office and feed room completed. It is of cement block construction.

The elevator of the Missouri Valley Elevator Company at Missouri Valley, Iowa, has been sold to the Updike Grain Corporation of Omaha.

The contract has been let by the Victoria Elevator Company of Davenport, Iowa, for its grain tank foundations. The work will cost \$4,000.

The Good Bros. of Hamburg, Iowa, have leased their Riverton, Iowa, elevator to W. C. Stubbs who will operate under the firm name of the Stubbs Elevator Company.

The Morningside Elevator & Coal Company of Morningside (Station Sioux City), Iowa, was bought at auction by C. W. Forney who was the only bidder.

The Hunting Elevator Company has remodeled the old elevator of Fred W. Roberts at Everly, Iowa, which it bought, and is now conducting business in it.

The contract has been let by the Modale Farmers Elevator Company of Modale, Iowa, for an annex to its elevator which will be used to handle ear corn and storage.

George A. Wassenar of Sheldon, Iowa, has leased the elevator at Cascade, Iowa, and will install modern feed grinding machinery. The mill is to be run by two 50-horsepower direct connected motors.

Melvin E. Mundt has taken over the elevator and business of the Farmers Elevator Company at

Clutier, Iowa. The sale of the property included all of the grain, coal, twine, seeds, etc., on hand. Mr. Mundt was manager of the elevator at Clutier owned by the Independent Grain Company of Omaha.

L. Nutting is now in the grain business for himself at Spencer, Iowa. He had charge of the Spencer office of the J. C. Shafer Grain Company but when that closed down, he went into business for himself.

INDIANA

Ray Wilkinson has bought a grain elevator at Brookston, Ind., and is operating it.

A grain drier has been installed by Al Konovsky in his elevator at De Motte, Ind.

Operations have been started by the Blackford Grain Company at Hartford City, Ind.

The elevator of the Whiteman Bros. Company at Delphi, Ind., which burned is being rebuilt.

A final certificate of dissolution has been filed by the Farmers Grain & Feed Company of Marion, Ind.

D. R. Smith succeeds O. E. Ness in his position as manager of the Onward Grain Company of Onward, Ind.

Fred Leiter will conduct the Erie Elevator at Rochester, Ind., under the name of the Erie Elevator Company.

The Farmers Co-operative Grain & Livestock Company of Garrett, Ind., has changed its name to the Farmers Elevator Company.

The Brookston Grain Elevator, Fowler, Ind., has been sold by J. D. Chancellor & Son to Roy Wilkinson, who sold his interest in the Remington, Ind., elevator.

The elevator of the Matt Schnaible Grain Company at Lafayette, Ind., is being torn down. In the spring the company will build modern coal chutes on the site.

E. E. Clark is manager of Reveal & Patterson at Lebanon, Ind., succeeding the late Clyde O. Powell. Mr. Clark was formerly with the Crabbs-Reynolds-Taylor Company.

The elevator at Wolcott, Ind., has been bought by the Seafeld Grain Company which is moving it to Seafeld where it will be rebuilt. This will replace the company's old elevator which burned.

Capitalized at \$10,000, the Dayton Grain Company has been incorporated at Dayton, Ind. The company will conduct a grain elevator. The incorporators are Richard A. Burris, Wm. D. Springer and Mabel K. Springer.

C. R. Jackson is now general manager of the Farmers Co-operative Elevator Company of Seymour, Ind. He formerly had charge of the corn products mill of the firm. As general manager, he succeeds George Breitfield.

SOUTHERN AND SOUTHWESTERN

A grain elevator is to be built at Big Springs, Texas, for the farmers of Howard County.

Wheat & Co., Memphis, Tenn., have established a grain and feed business. M. Wheat is manager.

The Tilley Grain & Commission Company of Fort Worth, Texas, has decreased its capital stock from \$5,000 to \$1,000.

The Deer Creek Elevator Company of Deer Creek, Okla., is rebuilding its elevator. The new house will cost \$25,000.

The Farmers Union Co-operative Association of Ingersoll, Okla., has changed its name to the Pfeiffer Grain Company.

W. B. Johnston, grain dealer of Enid, Okla., has a permit for the construction of a tile and concrete warehouse at Enid.

The Sudan Grain & Elevator Company of Sudan, Texas, has equipped its elevator with a four-bushel automatic scale.

The elevator of the Hominy Grain & Elevator Company of Hominy, Okla., has been remodeled and a new cornmeal mill installed.

The capacity of the elevator of the P. W. Walker Grain & Seed Company of Littlefield, Texas, has been increased to 20,000 bushels.

A three-story reinforced brick and concrete grain warehouse costing \$30,000 is being built at Shreveport, La., for the Kalmbach-Burkett Company.

The Archer Grain Company of Archer City, Texas, is to build a warehouse of galvanized sheet metal construction with steel window frames and sash.

John Klopolski has resigned his position with the Blackwell Milling & Elevator Company of Blackwell, Okla., a position which he had held for 22 years.

A new building is now occupied by the Bauman Bros., grain and seed dealers, at De Land, Fla. It is of concrete and steel construction and cost \$20,000.

Roy McMillen of Amarillo, Texas, and G. C. Stark of Pawhuska, Okla., have bought the 10,000-bushel elevator at Pampa, Texas, from the U. S. Strader Grain Company of Amarillo. Mr. McMillen had

been with the Strader company for three years. The new owners will operate as Stark & McMillen and will conduct a general grain, feed, and coal business.

The Duvall-Loppington Elevator of Laverne, Okla., has been sold by John Duvall to J. R. Rich who will operate as the Rich Grain Company with Ralph Fuller in charge.

The Capron, Okla., elevator of the Alva Roller Mills, has been bought by C. E. Heaton, formerly elevator agent for the Southwestern Elevator & Mercantile Company.

The property of the Ayres Grain Company of Lockney, Texas, has been bought by C. O. Burns, a Tulsa grain man. Ray C. Ayres will be with the Farmers Grain Company.

V. E. Hart has sold his business at Friona, Texas, to H. P. Eberling. Mr. Hart bought the Friona Seed & Feed Company and combined it with the Friona Produce Company.

A 16,000-bushel elevator, ironclad, is being built at Keyes, Okla., for the Security Elevator Company of Hutchinson, Kan. It is to be similar to the one which they have at Boise City.

Part of the Memphis Milling Company's plant at Memphis, Tenn., has been leased by the Farabee & Roberts Company, a new company, capitalized at \$15,000. A corn shelling department is to be installed in addition to the grain and feed business.

A. E. Stagner and Charles Voight are now associated at St. Antonio, Texas, where they conduct a wholesale grain business. Mr. Stagner was proprietor of the Luling Grain & Produce Company and Mr. Voight was with him until a few months ago.

A grain elevator of 18,000 bushels' capacity is being built at Baker (Stroud p. o.), Okla., for the Farmers Grain & Elevator Company. Extensive equipment has been installed and the entire plant covered with metal and corners grounded for lightning protection.

The Great West Mill & Elevator Company of Amarillo, Texas, is to build new storage tanks on December 1. Walter A. Barlow is manager. The capacity is to be 1,200,000 bushels and will cost \$175,000. This addition will bring the capacity to 2,500,000 bushels.

MINNESOTA AND WISCONSIN

A manlift is to be installed next year by M. A. DeWerd at Morton, Minn.

The Crown Elevator at Milan, Minn., has been bought by the Taplin Grain Company.

The Peachey Grain Elevator at Beaver Dam, Wis., has been bought by I. K. Mayr.

Improvements are being made to the elevator of the Kewaunee Grain Company of Pound, Wis.

The elevator of the Tyler Co-operative Company at Tyler, Minn., has been equipped with lightning rods.

Oscar Heiser is now manager of the property of the Tracy Farmers Elevator Company of Tracy, Minn.

A truck dump has been installed and repairs made to the bins and pit of O. T. Johnson of Ihlen, Minn.

A grain elevator is being built at Fisher, Minn., for the Kellogg Commission Company of Minneapolis.

An interest in the grain elevator located at Readstown, Wis., has been bought by Everett Baker.

Numerous improvements are being made to the elevator of the Poskin Elevator Company of Poskin Lake, Wis.

Mark C. and C. A. Porter have bought the elevator of the C. S. Porter Coal & Grain Company at Fox Lake, Wis.

A truck dump and new dump scales have been installed by the International Elevator Company of Buffalo, Minn.

The mill and elevator of the Ervin Milling Company located at Rockville, Minn., has been bought by John H. Nieters.

The Farmers Co-operative Elevator Company & Shipping Association of Lansing, Minn., is under the management of H. C. Tordsen.

A 10-ton truck scale and a Strong-Scott Auto Truck Dump have been installed by the Farmers Elevator Company of Janesville, Minn.

A truck dump, 10-ton scale and other improvements have been installed by the Farmers Equity Elevator Company of Parkers Prairie, Minn.

A two-story warehouse has been built at Owatonna, Minn., for the Farmers Elevator & Mercantile Company. Norman Johnson is business manager.

A warehouse, including an elevator, is to be built by the Farmers Equity Market & Supply Company of Plymouth, Wis., in addition to its present warehouse.

Work has been completed on the two steel storage tanks of the Wm. O. Goodrich Company at

North Milwaukee, Wis., with capacity of 100,000 bushels. The total storage of the plant is now 300,000 bushels.

The lumber yard, elevator, etc., of the Farmers Supply & Produce Company at Rush Lake, Wis., has been sold to the Middleton Lumber & Fuel Company.

Under the name of the Equity Elevator Company, Waterville, Minn., the Farmers Equity Co-operative Exchange has opened for business. John Fahning is owner.

Articles of incorporation have been filed by the Wegdahl Elevator Company of Wegdahl, Minn., which has taken over the business of the Myers Wholesale & Produce Company.

Fourteen grain tanks at Sleepy Eye, Minn., have been leased by the Cargill Elevator Company of Minneapolis, Minn. The combined capacity of the tanks is approximately 1,000,000 bushels.

Ralph Bruce is now vice-president and general manager of the Union Elevator Company at Minneapolis, Minn. He was for years in charge of the Minneapolis branch of the Hales & Hunter Company.

The Farmers Elevator Company which has been operating at Sedan, Minn., for a number of years has reorganized as the Sedan Grain Company. Nels R. Tacklin is manager, succeeding E. H. Pfeningher who resigned.

A 500,000-bushel addition is to be built by the Froedtert Grain & Malting Company at Minneapolis to the Gould Grain Elevator which it bought recently. Various improvements are being made to the elevator which was bought at a cost of \$125,000. The new elevator will be erected in the spring. Offices were recently opened at 604 Corn Exchange, Minneapolis, with Malcolm Grant as manager. This company operates at Milwaukee, Red Wing and Winona, as well as Minneapolis.

WESTERN

The Plains Grain & Produce Company of Hugo, Colo., has installed a new bean elevator.

An addition is being built to the grain warehouse of the Robinson Grain Company of Ordway, Colo.

The C. P. McNear Company's stone warehouse at Petaluma, Calif., is to be converted into a grain elevator.

A one-story addition is to be built to the warehouse of the Nicholls Grain & Milling Company of Los Angeles, Calif.

The T. D. Phelps Grain Company of Denver, Colo., has been dissolved and has discontinued business in Colorado.

A wholesale grocery department has been added to the business of the Barkemeyer Grain & Seed Company of Great Falls, Mont.

Capitalized at \$50,000, the Thomas Farr Company has been incorporated at Ogden, Utah. The company will conduct a grain business.

B. H. Fleet is succeeded as manager of the Seattle Grain Company of Ralston, Wash., by M. Stone. Mr. Fleet was with the company for 13 years.

Farmers around Livermore, Calif., are considering the establishment of a grain elevator there for bulk storage and for the handling of grain.

The elevator which the Snell Bros. bought from the Rosebud Mercantile Company at Miles City, Mont., has been equipped with new machinery and cleaner.

Capitalized at \$200,000, the El Monte Grain Company has been incorporated at El Monte, Calif. J. B. Pritchard, F. R. Kenney and F. F. Bucker are interested.

New elevators will be built at Springfield and Joycoy, Colo., by the George E. Gano Grain Company of Hutchinson, Kan., and will be used as receiving station.

The Romer Mercantile Company has about completed the remodeling of its elevator at Holly, Colo. Considerable new machinery has been installed and a new driveway built.

A new headhouse is to be built to the present grain elevator at Seattle, Wash., owned by the Seattle Port Commission. It will be of concrete and steel construction.

The Farmers Elevator Company of Richland (Glentana p. o.), Mont., is under the management of Max Dunn. He was formerly with the Occident Elevator Company at Scobey, Mont.

The Kelso (Wash.) Port District is interested in whether or not to purchase 40 acres of land upon which to build a 500,000-bushel elevator at a cost of about \$300,000. A grain corporation is prepared to lease the elevator when completed.

Another steel grain storage tower has been added to the pair formerly used at the elevator of the Moody-Warren Commercial Company of Ft. Collins, Colo. A fourth tower is also under construction. Before long the grain capacity of the plant will be more than doubled.

The Northern Washington Warehouse Company, Inc., has been incorporated at Bellingham, Wash., by O. H. Seiple and Mrs. Anna C. Seiple, capitalized at \$10,000. The company was formed by Mr. Seiple,

who is president of O. H. Seiple Company, Inc., dealers in grains, feed and other milled products, to make bonded institutions of the company's warehouses at Bellingham and Mt. Vernon and thereby to gain an advantage in handling grain.

A new corporation, to be known as the Susanville Mills, Inc., has been formed and will take over the property of the Lassen Grain & Milling Company at Susanville, Calif. F. B. Hutchins and E. B. Birmingham are interested.

L. Smith's half interest in the Smith Grain & Feed Company at Auburn, Wash., has been bought by William Howell, who for the past few months has been with the Auburn Feed Company. Mr. Smith is now with the Northwest Seed Company of Seattle, Wash. The Auburn company is now known as the Howell Grain & Milling Company.

EASTERN

Grain is to be received from boat at the Port Richmond Elevator of the Philadelphia Grain Elevator, Philadelphia, Pa.

The warehouse of D. A. Stickell & Sons at Mercersburg, Pa., has been bought by the Farmers Elevator Company of Waynesboro, Pa.

F. Jasperson is manager of the Philadelphia Grain Elevator Company, Philadelphia, Pa., and the Reading company's marine department.

The C. H. Stearns & Son Company of Johnson, Vt., is installing a Sprout, Waldron & Co., perpendicular mixing machine for mixing feed rations.

The grain business of the H. A. Crossman Company, Needham, Mass., has been bought by the J. Cushing Company of Fitchburg. It will be continued under its present name.

The addition to the Canadian Pool Terminal Elevator, Buffalo, N. Y., making the capacity of the elevator 2,000,000 bushels, has been completed. This was formerly the Saskatchewan Elevator. The Barnett-Record Company of Minneapolis, built the addition.

A controlling interest in the Dakota and Great Eastern Elevator Corporations of Buffalo, N. Y., has been bought by George E. Pierce. He has been operating the plants since August 1, but the deal was only recently completed giving him controlling interest. The stock of Harry C. Rice of New York and Levi S. Chapman of Syracuse was taken over by him in the deal. Mr. Pierce will be president and general manager of both properties.

MISSOURI, KANSAS AND NEBRASKA

The Deaver Grain Company of Berea, Neb., is to repair its elevator.

New equipment has been installed by E. E. Smith & Sons of Indianola, Neb.

Roy Brown's elevator at Lewellen, Neb., has been equipped with a truck dump.

Charles Novacek is at Touhy, Neb., as manager of the Nye & Jenks Company there.

A truck dump and new motor have been installed by Carl Wickstrom at Hershey, Neb.

Truck dumps have been installed by the Fenske Bros. and Demers & Son at Sunol, Neb.

New equipment has been installed by the E. E. Smith Grain Company of Bartley, Neb.

The Gooch Milling & Elevator Company's elevator at Farwell, Neb., has been torn down.

The Farmers Elevator at Lyons, Neb., has been bought from the G. W. Little Estate by A. Moseman.

W. B. Marker is the new manager of the Farmers Union Elevator & Mercantile Company at Baker, Kan.

The Crittenden Grain Company has bought the Diller, Neb., property of the Nye & Jenks Grain Company.

Arthur Neilson is manager of the property at Gering, Neb., of the Lexington Mill & Elevator Company.

The warehouse of L. B. Silver at Morganville, Kan., has been bought by the Farmers Co-operative Association.

A large store has been built by the Arma Elevator Company of Arma, Kan., in connection with its elevator.

The 15,000-bushel elevator of the C. D. Jennings Grain Company at Sitka, Kan., has been sold to T. M. Rinker.

The Nye & Jenks Elevator at Bellwood, Neb., has been bought by the Farmers Elevator Company which will operate it.

The Atlas Grain Company at Waterbury, Neb., has been taken over by P. S. Buckley who was formerly Atlas agent there.

Repair work is being done to the grain chute and elevator pit of the Farmers Grain & Supply Company at Dannebrog, Neb.

Kenneth Clark succeeds the late C. A. Clark, his father, as manager of the Burlington Public Elevator at St. Joseph, Mo.

A new office building is being built at Minneapolis, Kan., for the Farmers Elevator Company. The

old office building will be torn down and a new warehouse built when the new office building is completed.

Capitalized at \$15,000, the Schroyer Grain & Supply Company has been incorporated at Schroyer (Blue Rapids p. o.), Kan.

An acre of ground at Greeley, Neb., has been leased by the Greeley Grain Company which they will use for a feeding lot.

The Kismet Equity Exchange of Kismet, Kan., is to repair its elevator this winter or in the spring and install new head and scales.

A group of farmers has bought the Craig Grain Company at Craig, Mo., operated by the Windle Bros. Lester I. Mitchell is president.

A 60,000-bushel elevator is being erected at Tice (Copeland p. o.), Kan., for the C. D. Jennings Grain Company. R. D. Shearer is manager.

The elevator of the Farmers Elevator Company of Venango, Neb., has been repaired. New coal sheds and warehouse are being built.

O. M. Conway has leased the elevator at Norton, Kan., formerly operated as the Stinson Grain Company. He succeeds Conway & O'Toole.

Capitalized at \$30,000, the Clinton Grain & Elevator Company has been incorporated at Clinton, Mo. E. D. Sayles and F. G. Booher are interested.

The elevator of the Red Star Milling Company at Belpre, Kan., is under the management of J. Frank Ward, formerly manager of the Farmers Elevator.

The elevator and lumber yard of Nye & Jenks at Schuyler, Neb., is under the management of Robert Studnicka. He takes the place of D. Dunkel who resigned.

The plant of the Anderson Grain Company at Hildreth, Neb., has been bought by the Popprington Bros. The elevator is not being operated at the present time.

J. A. Foltz is replaced as manager of the Farmers Co-operative Elevator Company at Abilene, Kan., by H. D. Beven. Mr. Foltz has bought a grain elevator at Homer.

Articles of incorporation have been filed by the Hitz Flour & Grain Company of Joplin, Mo., capitalized at \$5,000. The incorporators are C. A. Hitz, Anna Hitz and F. L. Thornton.

A number of improvements are being made by the Clarksville Elevator Company of Clarksville, Mo. A new feed room has been built and hammer mill for feed grinding installed.

A. E. Johnson has resigned his position as manager with the Nye-Schneider Grain Elevator at Filley, Neb., on account of ill health. He has moved back to Table Rock, his old home.

The Liberty State Bank has taken over the Farmers Elevator at Liberty, Neb. The elevator was offered for sale at auction but because there were no bidders, the bank took over the property.

The grain elevator and 50-barrel flour mill at North Platte, Neb., have been leased by H. E. Day,

for years manager of the Cambridge Milling Company of Cambridge, Neb. He will operate it.

The plant of the Cranston-Liggett Grain & Feed Company of Leavenworth, Kan., which was damaged by fire some time ago, has been completely remodeled. Its office capacity has also been increased.

The coal sheds at Weeping Water, Neb., which were formerly owned by the Searle-Chapin Lumber Company have been bought by the Peters Grain Company. A portion of them is to be moved to the elevator where they will be used.

The elevator of the Cox Grain Company of Moran, Kan., is being converted into a poultry and dairy feed plant. Modern equipment including a mixer, Fairbanks Morse Motor, one two-pair high roller mill and one hammer mill are being installed.

E. C. Houston, trustee of the Latta Grain Company, with headquarters at Tekamah, Neb., has sold the entire line of six grain elevators and one lumber yard of that company. The elevator at Tekamah was bought by the Holmquist and Farmers Elevator Companies.

To buy and sell grain, etc., the Farmers Co-operative Association, Inc., has been incorporated at Ragan, Neb., capitalized at \$10,000. R. E. Shumard is president; G. Gustafson, secretary of the firm; and the directors are: W. A. Abraham, W. F. Bryam, C. R. Harms and John Anderson.

CANADA

A drier is being installed by the Consolidated Elevator at Ft. William, Ont.

The grain driers at the Government Elevators at Saskatoon, Sask., are being enlarged in capacity from 20,000 to 60,000 bushels.

The No. 1 Government Terminal Elevator at Vancouver, B. C., has been leased by the Vancouver Board of Harbor Commissioners to the Alberta Wheat Pool. It has a capacity of 1,500,000 bushels.

Spratt & Kellen of Lindsay, Ont., have been dissolved after 52 years continuous operation. R. P. Spratt has bought the seed and grain elevator and will conduct a seed and grain business as in the past. He has also bought the store and grocery business of the old company and will conduct it as R. P. Spratt & Sons, with T. J. Spratt as manager.

The erection of 35 country grain elevators at a cost of more than \$1,000,000 will be undertaken immediately by the Saskatchewan Wheat Pool, the co-operative marketing association for the farmers, with headquarters at Regina, Sask., according to an announcement by the organization issued here. This will bring the number of elevators under control of the farmers to 610. "Rush of wheat to the Pool's elevators this fall has swamped the association's grain storing facilities" says an announcement. "More than 60,000,000 bushels of Saskatchewan wheat will be marketed co-operatively this year. In one day during the shipping season, the Pool handled 1,500,000 bushels of wheat. The new elevators will be located at strategic shipping points in the province."

FIRES—CASUALTIES

Baldwin, N. D.—The Baldwin Elevator was damaged by fire.

Winnebago, Neb.—Fire destroyed the Moseman-Heyne Elevator.

Aurelia, N. D.—Lightning struck and set fire to the Farmers Elevator.

Pelican Rapids, Minn.—C. J. Swanson's grain elevator burned on October 21.

Denton, Texas.—Fire damaged the S. W. Kanady Seed Store with a loss of \$16,000.

Middle Point, Ohio.—The office of the H. G. Pollock Elevator was damaged by fire.

Bradley, Okla.—Fire destroyed the warehouse of the Bradley Warehouse & Elevator Company.

Atlantia, N. Y.—Fire destroyed William Corey's grain elevator and flour mill. The loss was \$50,000.

Rensselaer, Ind.—The Babcock Elevator was damaged slightly by fire which followed a dust explosion.

Cleburne, Texas.—Fire destroyed with a loss of \$28,000, the warehouse of the Kennard Grain Company.

Lawrenceburg, Tenn.—Fire damaged T. E. Yarbrough's feed store. The loss is covered by insurance.

Arlington, Texas.—Fire destroyed the warehouse of the C. D. Mitchell Feed Store with a loss of \$7,000.

Salt Lake City, Utah.—Fire damaged the cleaning plant of the Western Seed Marketing Company

early in October. There was no damage to any of the main warehouse. The loss was covered by insurance.

Muenster, Texas.—Fire of incendiary origin destroyed the elevator of the Whaley Mill & Elevator Company.

Kearney, Neb.—The Kearney Grain Company suffered a loss of \$2,500 by fire. There was no insurance.

Divide (New Rockford p. o.), N. D.—The elevator between New Rockford and Sheyenne was destroyed by fire.

Carbury, N. D.—The elevator of the Carbury Farmers Elevator Company was destroyed by fire on October 31.

Braddock, Pa.—The Braddock Feed & Supply Company's property was damaged by fire to the extent of \$3,500.

Ripon, Calif.—Fire damaged the warehouse of the Tornell-Larson Grain & Produce Company. It was partially insured.

Foyil, Okla.—Fire of unknown origin destroyed the elevator belonging to the Foyil Elevator Company on October 27.

Middleton, Mich.—Fire of unknown origin was the cause of a small loss to the Rockafellow Grain Company on November 1.

Huntington, Ind.—Fire on October 18 destroyed the Huntington Equity Exchange Elevator with a loss of \$30,000. The contents of 6,000 bushels wheat, 5,000 bushels oats and 1,000 bushels corn were also

destroyed. Insurance of \$12,000 was carried. The origin of the fire is unknown. The elevator will be rebuilt immediately.

Dundee, Kan.—Fire which originated in the engine room was the cause of a small loss to the plant of John J. Law on October 27.

Saybrook, Ill.—Fire damaged on October 13 the elevator of the Saybrook Grain Company. A hot box in the top of the building caused the fire.

Anna, Texas.—The warehouse of Andrew Shirley of this place burned with 15,000 bushels oats, several tons hay and several tons of other feeds.

Powers Lake, N. D.—Fire which originated at the exhaust pipe was the cause of a small loss to the Farmers Elevator Company's property here on September 18.

Auburndale, Wis.—Fire destroyed the warehouse owned by the Gotz Bros. Company together with a quantity of feed and molasses. The cause of the fire is unknown.

Tangier, Ind.—The grain office and warehouse of S. B. Swaim with about 4,000 bushels of corn and oats was destroyed by fire. The loss is partly covered by insurance.

St. Louis, Mo.—Damage by smoke and water amounting to \$10,000 was done to the property of the Prunty Seed & Grain Company. The fire was in an adjoining building.

Piqua, Ohio.—The Fristoe Grain Elevator was damaged by fire on October 9. The fire started in the cupola and did considerable damage to that portion of the elevator before being checked.

Watauga, S. D.—The elevator of the Hoover Grain Company was destroyed by fire on October 24. The fire was caused by an overheated office stove.

Washburn, Texas.—On October 19 the elevator of the H. E. White Grain Company was damaged by

fire of unknown origin. Some stock of the Texas Wheat Growers Association was also damaged.

Sherrill, Ark.—On October 24, fire destroyed two seed houses, owned by Rush Barrett. The total loss from the fire was \$15,000. The houses are being rebuilt.

Clarkton, N. C.—On October 22, the property of the Clarkton Gin & Seed Company and Building Supply Company, operated by C. E. Voiles, was destroyed. The loss was from \$10,000 to \$20,000 with insurance of \$3,500.

Dunfermline, near Lewistown, Ill.—The old frame grain elevator building here was destroyed by fire. Not much grain was in the elevator at the time and the loss is covered by insurance. The origin of the fire is unknown.

Woburn, Mass.—Fire on October 15 damaged the property of the C. H. Jaquith Grain Mill & Warehouse Company on October 15. It was partly covered by insurance. The loss was \$35,000. The main mill and warehouse were only slightly damaged.

Bessemer, Ala.—The property of the J. C. Curry Company, wholesale grain dealers, was destroyed by fire of unknown origin on October 15. The loss was \$55,000. The building was filled with flour, wheat, grain and feeds at the time. R. G. Wilson and C. S. Cowan are members of the firm. W. H. Porter owned the building.

Winchester, Ind.—The three-story brick mill and grain elevator of C. V. Grant was burned to the ground on the night of October 29 with an estimated loss of \$35,000. The cause of the fire is believed to have been spontaneous combustion. Considerable amount of grain and flour was consumed in the blaze. In the last 40 years, three mills on this same site have been destroyed by fire. Mr. Grant announced that he would take steps to build a new mill and elevator.

former owner for five years and Mr. Baker until recently had represented the Charles H. Krause Milling Company.

The old warehouse at Estherville, Iowa, has been bought by H. W. Jensen & Sons, Inc. It is being rebuilt into a flour and feed warehouse.

A modern feed grinding outfit has been installed by the Emmetsburg Seed House of Emmetsburg, Iowa. It will cost about \$6,000 complete.

The Happy Feed Store is building a new store at Calhoun City, Miss. The store is owned by Griffin Bros., with Jim Griffin as manager.

A feed mixing unit has been installed by J. A. Sturges & Co., Easthampton, Mass., in their grain plant. It will handle a ton of grain every five minutes.

A flour, feed, and grocery store is being installed at Blanchard, Okla., for C. E. Shelton, who has been in the flour and feed business at Bradley, Okla., for five years.

An up-to-date mixer has been added to the property of the Nampa Seed & Grain Company of Nampa, Idaho, and poultry food will be manufactured by this company.

A feed brokerage business is to be conducted at Buffalo, N. Y., by E. B. Collard, formerly with Collard-Meyer. His offices are in the Chamber of Commerce Building.

A new attrition mill has been installed by the Dahl Elevator Company of Minnesota, Minn., dealers in grain, coal, livestock, flour and feed. This will double the capacity of the plant.

A new feed room has been built by the Clarksville Elevator Company of Clarksville, Mo. Elmer Pledge is manager. The company will install a hammer mill for grinding feed.

The Farmers Feed Company, owned by Paul Thomas at Lebanon, Ky., has been sold by him to Fred Mann and Ned Bradshaw. Mr. Thomas is going into business at Harrodsburg.

The interest of J. M. Beach in the San Fernando Feed & Seed Store at San Fernando, Calif., has been bought by J. M. Ellis. He is now a partner of B. T. Smith, who established the business.

H. M. Maddaford is now associated with C. C. Stafford in the feed business at El Monte, Calif. Mr. Maddaford is president of the California Hay, Grain & Feed Dealers Association.

The new feed store and elevator building of P. M. Walker & Co., at Loogootee, Ind., have been opened for business. It replaces the one which was destroyed by fire some time ago.

J. Cox, effective January 1, has resigned as salesman for the Burlington Feed Company of Burlington, Wis. He will take charge then of the Kansasville (Wis.) Lumber, Fuel & Feed Company.

Ray C. Ebmer has entered the feed business at Minneapolis, Minn. He has severed his associations with Spencer Kellogg & Sons at Minneapolis and is succeeded with that firm by H. G. Cowan of Buffalo.

A modern high speed steel elevator to unload cars of bulk grain, gluten, etc., has been installed by Benjamin Horton, who has been in the feed business in New Hampton, N. Y., for more than 14 years.

Oscar A. Cook, feed dealer at Boonville, Ind., who recently moved into a new warehouse near the Southern Railroad Station in that city is contemplating a number of improvements next spring in order to take care of his growing business.

HAY, STRAW AND FEED

A feed store has been opened at Coffeyville, Kan., for Walter Baurerstock.

A feed warehouse has been completed at Loyal, Wis., by J. H. Etts & Sons.

The Lansdale Feed Store, Kosciusko, Miss., has been bought by J. L. Hull.

The Farmers Elevator at Holland, Iowa, has been equipped with a feed grinder.

The South Side Feed Store at Kearney, Neb., has been bought by J. B. Stark.

A feed mill has been installed by A. J. Clark in his elevator at Chokio, Minn.

The feed store of L. N. Boll at Conway, Ark., has been bought by A. P. Dollahite.

A feed and produce store has been opened at Los Banos, Calif., by W. M. Munson, Jr.

A new uptown feed store has been opened at Fairfield, Ill., by L. J. Keith & Son.

A feed mill has been installed by the Farmers Elevator Company of Storm Lake, Iowa.

A hammer mill has been installed by the Beaty Grain Company of Grand Junction, Iowa.

A feed grinder may be installed by the Watseka Farmers Grain Company of Watseka, Ill.

A hammer feed mill has been installed by the Farmers Elevator Company of Hospers, Iowa.

The Speltz Elevator Company of Glenville, Minn., has installed a double action grinding mill.

A hammer mill has been installed by the Soo Feed & Chemical Company of Sioux City, Iowa.

The new hay, grain and feed store of W. B. Burris at Baldwin Park, Calif., has been opened for business.

The Farmers Elevator Company of Belmond, Iowa, has equipped its elevator with a new hammer feed mill.

To handle feed, groceries, etc., D. Pender and T. S. Southgate are now associated in business at Norfolk, Va.

A feed grinder has been installed by the Oyens Co-operative Elevator Company which is located at Oyens, Iowa.

A 20-inch feed grinder will be installed in the elevator of the Farmers Co-operative Company of Sheldon, Iowa.

A 24-inch feed mill has been installed by the Farmers Elevator Company which operates at Mooreton, N. D.

Landreth & Co. have their new feed store at Whittier, Calif., completed. It replaces the one which burned.

The Happy Feed Line, comprising dairy, poul-

try, horse and mule feeds, is being handled by Joe Q. Cook & Son, flour distributors at Pine Bluff, Ark.

The Dover Farmers Elevator of Dover (Sykeston p. o.), N. D., has installed a new feed mill in its property there.

The Central Feed & Supply Company of Belle Plaine, Iowa, has been taken over by L. H. Luttan and Joe Sinaiko.

Business has been started in the Wayne Feed Company of Urbana, Ohio, under the management of Elijah Pettigrew.

A warehouse in which to store feed and to do feed grinding has been built at Berwick, Kan., for J. H. Strahm & Son.

S. L. Shaver is the new manager of the Farmers & Planters Feed Store at Jonesboro, Ark. It is owned by the C. L. Bennett Company.

The feed store of Edward Wiley & Son at Janesville, Wis., has been bought by E. S. Baker and H. R. Peck. Mr. Peck had been employed by the

OBITUARY

ADAMS.—James W. Adams, a feed dealer of Blytheville, Ark., died recently.

ADAMS.—Rudolph T. Adams died on November 2, aged 37 years at Toledo, Ohio. He was in the flour and feed business at Toledo for a number of years.

BAXTER.—Alfred Edward Baxter died on November 1, at Buffalo, N. Y. He was a grain elevator and mill engineer and founded the A. E. Baxter Engineering Company of Buffalo.

BROGDON.—John I. Brogdon died recently from the effects of gas poisoning received during the Argonne Drive in the World War. He was until two months ago with the Simons-Shields-Lonsdale Grain Company and a member of the Wichita (Kan.) Board of Trade.

BROWNING.—James K. Browning died at Pig-gott, Ark., on October 14. He was a director of the Clay County Mill & Elevator Company.

CARLISLE.—C. S. Carlisle died on October 20 at Chicago, Ill. He was secretary of the Leonard Seed Company of Chicago, Ill.

CLARK.—On October 18, C. A. Clark, manager of the Burlington Public Elevator at St. Joseph, Mo., died from a complication of intestinal troubles.

CHAMBERS.—Alfred Chambers died at his home in Minneapolis, Minn., aged 76 years. He was well known in Minneapolis grain circles and at one time was a member of the Board of Grain Appeals.

DEAVER.—Wilmot D. Deaver died after long illness at his home in Portland, Ore. He was secretary and treasurer of the Pacific Coast Elevator Company with which company he had been closely associated for 37 years. His widow and a daughter survive him. He was 65 years old.

DIRST.—Charles F. Dirst, manager of the Minooka Grain, Lumber & Supply Company of Minooka, Ill., died from complications following an operation. His widow, two sons and two daughters survive.

ENNIS.—Lullus J. Ennis died from apoplexy. He was a broker on the Chicago Board of Trade. He started as a messenger boy with the firm of Wil-

liam T. Baker, in 1881. Later he was with Counselman & Day.

FINCH.—Henry C. Finch died at Greenville, Miss. He was formerly a member of the grain company of Finch, Smith & Co., of Nashville, Tenn.

GOETZ.—George E. Goetz died after a lingering illness, aged 65 years. He was partner in Goetz Bros., wholesale and retail seed dealers, Buffalo, N. Y., and had been in the seed business for 33 years.

GRIGSBY.—B. P. Grigsby died on October 26 of heart trouble. He was a retailer at Bardstown, Ky., handling seeds, implements, hardware, etc.

HAGERMAN.—Oliver H. Hagerman died, aged 66 years. He was manager of the Philadelphia Grain Elevator Company of Philadelphia, Pa., and manager of the Reading Railway Company's marine department.

HOLLISTER.—Hartley John Hollister died at his home at Owatonna, Minn., aged 68 years. Mr. Hollister was for many years in the grain business, being one of the partners in the Hollister-Woodworth Grain Company of Minneapolis. His widow, four daughters and one son survive him.

JONES.—Melville Jones died on September 18. He was a junior partner in Clarke & Martin, grain dealers at Winnipeg, Man.

LaDUE.—Jay LaDue died at his home in Laverne, Minn. He was 99 years old. He at one time engaged in merchandising and grain business as LaDue & Leet at Red Wing, Minn.

LEWIS.—William T. Lewis died on October 22 from automobile injuries. He was associated with Woodson Lewis & Son, seed dealers of Greensburg, Ky.

McFARLANE.—George McFarlane died on October 10 at Sebastopol, Calif., where he had been in the feed business for years.

NICHOLSON.—W. C. Nicholson, a member of the Milwaukee (Wis.) Chamber of Commerce, died in September at his home there.

PARR.—Charles E. Parr died aged 74 years. He was at one time in the grain business at Baltimore, Md., as Parr & Johnston. He was injured in an automobile accident from which he never recovered.

PEABODY.—Charles Edward Peabody died at South Portland, Maine. He was for years in the grain and hay business there. His widow and one daughter survive him.

PHILLIPS.—Robert Phillips died on October 22, a suicide. He was associated with the Hall-Baker Grain Company of New York, N. Y.

PURMOT.—William N. Purmot died aged 66 years. He was a pioneer grain dealer and banker of Enid, Okla.

SAWYER.—H. A. Sawyer died at Wellington, Kan. He was for two years with the Wellington Mill & Elevator Company.

STOCKETT.—Howard M. Stockett died at his home in Spokane, Wash., after a brief illness. He was secretary of the Northwest Grain Dealers Association. His widow, two sons and four daughters survive him.

STONE.—R. C. Stone of the R. C. Stone Engineering Company, prominent in the erection of flour mills and grain elevators in the Middle and South West died at his home in St. Louis after a long illness, aged 68 years. He operated a mill at Republic, Mo., for a time as R. C. Stone Milling Company.

TOWNSEND.—William E. Townsend died this month, aged 61 years. He was president of the Townsend-Ward Grain Company of Buffalo, and treasurer of the Buffalo Corn Exchange. He organized the Townsend-Ward Company 20 years ago. His widow, two daughters survive. Previous to going with the Townsend-Ward concern he was with the Husted Milling Company.

VOSBERG.—Richard H. Vosberg died aged 72 years at Arthur, N. D. He was president of the Farmers Elevator Company there.

WHALLON.—James F. Whallon died on November 8 from injuries received in an automobile accident. He was secretary of the Columbia Elevator Company of Minneapolis, with which he had been directly associated for 28 years. He was before that associated with Frank and Howard Commons, president and vice-president of the elevator company, in various other elevator enterprises.

WILLIAMS.—Minor S. Williams died at Williston, N. D., aged 73 years. He had organized many milling and elevator companies in the Northwest.

FIELD SEEDS

(Continued from Page 321)

crop this year in the main producing section of Louisiana began about June 1.

Production of White Clover in southern Idaho was larger than that of last year mainly because of better weather conditions. About 50 per cent of the crop is estimated to have left growers' hands by September 25.

Production in Wisconsin was, as described in the special report of September 14, about the same as that of last year, which was much larger than the small 1924 crop. The acreage harvested for seed may have been smaller than last year, but the yield per acre was probably enough larger to offset entirely the decreased acreage.

BADGER STATE SEED NEWS

By C. O. SKINROOD

The Milwaukee seed market is rather quiet, according to the leading dealers although the undertone in the market continues to be firm. The trade does not show any particular price changes. On the other hand there is no tendency toward a decline in the last 30 days.

The quality of the Red Clover seed is not so good. The volume of receipts is good, according to the leading handlers but most of the offerings are decidedly brown and discolored. This spoils the looks of the seed in many cases but it will not interfere with the germinating qualities.

The demand for Red Clover is only fair, dealers say, but it is certain that there will be a good call for it shortly after the turn of the year.

Dealers say that the dairy farmers and hog raisers of Wisconsin are making excellent profits this year and hence farmers are well able to buy seeds.

The Sweet Clover market is also reported as very strong. Here is one crop in which there is already considerable demand despite the fact that this is only the beginning of the seed selling season. The yields of Sweet Clover are short, while the demand for this class of seed for pasture rejuvenation is exceptionally large.

White Clover, the Milwaukee dealers report, is in a bad rut. There is no buying in any quarter. While stocks of the seed are not extensive, the buying has been so slight that the market is in an easy condi-

tion. The trend of the trade does not seem toward White Clover and hence the buying emphasis seems to be going to the more popular kinds of seeds like Alfalfa and Sweet Clover.

Alfalfa has been coming into the Milwaukee market in good volume the local dealers report. Receipts are reported here from the Dakotas, from Utah and Montana. Also some of the best seed has come from Kansas and from the Dakotas. In general the quality of the seed is reported as good, with none of the discoloration which is characteristic of so many branches of the seed trade this year.

Wisconsin dealers report the demand picking up a little, but the bulk of the buying is expected a little later. With the tremendous trend toward seeding Alfalfa in the state, encouraged by the state agricultural authorities, a huge demand is looked for. In fact this should be one of the star sellers of the season, dealers believe. The local seedsmen are in a position to supply the trade with the best domestic seed, so there will be no scarcity of supply even though the buying should assume large proportions.

The Alsike trade is in good shape with demand as yet of only fair volume. Quite a little of the Wisconsin Alsike is not threshed yet. Since this is stored in barns, it is well taken care of and the returns from the late threshed crop will be of high quality. This will be one of the better sellers this season as the call for Alsike is growing steadily, although it does not rank in popularity with Sweet Clover and Alfalfa.

The Timothy market in Milwaukee is very slow. No one seems to be buying it although there is plenty of seed available here which has been coming in from Iowa, Wisconsin and Minnesota. Most of the seed offered is of high quality so the stuff is there ready for traders if the buying should pick up. Most of the Timothy seed is now believed to have left first hands and the dealers have the bulk of the crop ready for the potential demand.

Many Wisconsin farmers have made handsome profits from their seed crops for the past season. Albert Fornecker is the leading producer of seed in his neighborhood near Jefferson. He sold his 1926 crop to a seed dealer for \$2.522. This is the best record ever made by Mr. Fornecker also.

Wisconsin's crop reporter, Paul Nyhus, who has

given out figures on seeds and on grains for many years, has been appointed a Government agricultural representative in the Orient. His office will be located in Shanghai. Mr. Nyhus will have one particular job and that will be to increase the outlet for American farm products in the Orient.

Various county agents in Wisconsin are now broadcasting instructions to farmers on the best methods of saving their seed corn. One county agent told farmers to save their seed corn by putting in the attic, or kitchen, a furnace room, or tool room or wagon shed if well ventilated. Porches, outdoor spots, the windmill, or the granary, were all reported as the worst places for the curing of seed corn.

The College of Agriculture is asking farmers to be sure and pick their seed corn early so that the frost will not catch it too soon and impair its germinating qualities.

IMPORTS OF FORAGE PLANT SEEDS

The Seed Laboratory of the Bureau of Plant Industry reports the following imports of forage plant seeds permitted entry into the United States under the Federal Seed Act:

Kind of seed	October		July 1, to Oct.	July 1, to Oct.
	1926	1925	1926	1925
Alfalfa	132,600	175,900	206,300	250,000
Canada bluegrass	15,100	6,500	20,200	42,100
Alsike clover	8,400	1,922,900	56,700	3,070,600
Crimson clover	68,200	93,200	2,385,000	4,309,500
Red clover	8,100	.....	298,800	28,900
White clover	95,300	145,200	308,300	476,000
Clover mixtures .....	.....	43,400	.....	46,400
Meadow fescue	4,000	.....	4,000	.....
Grass mixtures .....	.....	100	.....	100
Orchard grass	49,300	55,000	182,500	71,200
Rape	1,399,400	1,230,100	2,422,000	2,507,500
English ryegrass	49,200	183,300	392,300	499,200
Italian ryegrass	360,200	353,600	543,800	648,100
Hairy vetch	333,600	159,200	698,700	1,619,400
Spring vetch .....	.....	21,600	19,800	139,300
Bentgrass	14,700	4,900	40,100	52,300
Biennial white-flowered sweet clover	457,200	.....	757,900	134,100
Biennial yellow-flowered sweet clover .....	.....	8,500	24,400	71,800
Crested dog's tail .....	.....	11,100	.....	13,300
Chewings fescue	107,600	43,700	503,800	391,200
Other fescues	22,200	128,600	98,900	431,600
Carpet grass .....	.....	.....	.....	4,200
Fescue grass .....	.....	.....	.....	3,100
Rhodes grass .....	.....	.....	.....	9,800
Rough-stalked meadow grass	9,400	34,100	26,000	34,600
Sainfoin .....	.....	.....	.....	300
Sweet Vernal grass .....	.....	.....	.....	200
Molasses grass .....	.....	2,100	.....	38,700
Canary grass .....	.....	.....	1,100	.....
Velvet grass	2,300	.....	2,300	5,900
Wood meadow grass .....	.....	.....	.....	2,200
Lawn grass mixture .....	.....	.....	1,000	.....
Redtop	2,200	.....	2,200	.....

(1) All from Canada. (2) 81,400 pounds from Germany, 11,200 pounds from England, 2,200 pounds from Poland, 500 pounds from Canada. (3) 1,006,100 pounds from Holland, 359,800 pounds from Japan, 33,100 pounds from Germany, 400 pounds from Canada. (4) 151,000 pounds from Latvia, 105,600 pounds from Germany, 62,200 pounds from Hungary, 14,800 pounds from Canada.

SEED MARKET QUIET BUT STEADY

By C. K. TRAFTON

The market in New York for the leading field and grass seeds has been extremely quiet during the month under review; but no more so than generally expected at this time. The lack of demand is entirely seasonable at this time, and hence holders perceive that there would be little sense in offering concessions in order to force seeds on unwilling buyers. Although supplies of some descriptions are known to be of reasonable size, stocks as a rule are moderate to small, and hence the lack of selling pressure is not astonishing. Inventory prices are low in the main and hence holders apprehend no difficulty in ultimately disposing of their goods and are satisfied to wait until the demand develops.

Red Clover was one variety to display some features of interest, owing to a growing conviction regarding the shortage of our own crop and the steady upward movement of the French market. As a consequence buyers occasionally showed fair interest in spot seed, while a moderate business was also booked for spring delivery.

Crimson Clover remained dull and nominally unchanged throughout the month, the duty-paid basis still being 10@10½ cents. Arrivals from France were only 400 bags, compared with 2,220 during September.

White Clover also continued stagnant on spot and last month's nominal basis of 33 cents duty-paid for 100 pound lots is repeated. As a rule importers showed little interest in offers for forward shipment from Europe. Still, small sales of choice seed were reported at 26½@29½ cents c. i. f. and of less desirable qualities at 23¾@24 cents c. i. f. Arrivals for the month were 290 bags, against about 630 during September.

Alfalfa showed no signs of general animation during the month. The inactivity was especially marked in domestic grades which are still quoted on a large first-hand basis of 17 cents and on a jobbing basis of 21 cents. The fact that the Cana-

dian crop was large and generally of good quality served to arouse a fair degree of interest, some buyers preferring the imported to the native product. Hence business was reported in Canadian grain at 25@26 cents and in Variegated at 21 cents.

Timothy was slightly more active early in the month, mainly owing to a better export demand, and hence the local jobbing basis was firmly maintained at 7 cents. Later the export demand became as quiet as the domestic had been, and hence the tone became easier, some holders being more eager to sell at 6¾ cents. Still, the old basis of 7 cents is quite generally accepted at this writing. Exports for the month were 6,450 bags, against about 6,510 during September.

MEXICO CHANGES ITS SEED RULING

Contrary to its former decision, the Mexican Government has decided to accept the certificates of the United States Department of Agriculture showing fumigation of seeds at the point of origin in the United States. According to the latest ruling, certificates of the United States Department of Agriculture will be accepted for all except coffee and cotton seeds. The latter must in all cases be fumigated under the supervision of the customs at the port of entry.

Certificates of fumigation issued in the United States must bear the authentication of the appropriate Mexican consul there.

RED AND ALSIKE CLOVER SEED PRICES ADVANCE

The movement of Red Clover seed has been slightly accelerated the last two weeks. A smaller percentage of the crop, however, has been moved than at a corresponding date last year or in 1923, but 10 per cent more than in 1924. The United States Department of Agriculture estimates that 35 per cent of the Red Clover and 75 per cent of the Alsike Clover seed crops in the principal producing districts had moved from growers' hands up to October 26.

Prices on that date averaged 55 cents per 100 pounds more for Red Clover and 40 cents more for Alsike Clover than two weeks ago. The trend of prices continues to be upward.

The movement of Red Clover seed from the hands of growers has been most rapid in Minnesota, central Illinois and northern Indiana. Prices seem to have advanced more in these districts than elsewhere.

Imports of Red Clover seed July 1-October 15 amounted to 298,800 pounds compared with 28,909 in 1925, 239,700 in 1924, 49,000 in 1923, 226,600 in 1922, and 1,876,600 pounds in 1921.

Imports of Alsike Clover seed July 1-October 31 amounted to 56,700 pounds this year, 3,070,600 last year, 2,083,900 in 1924 and 4,961,100 pounds in 1923. During the month of October 8,400 pounds was imported, compared with 1,922,900 pounds last year.

THREE WESTERN STATES GET TOGETHER

Pedigreed Grimm and Cossack Alfalfa seed will be sold under uniform grades and tags in Idaho, Montana and Utah this season.

At a conference recently held at Blackfoot, Idaho, C. B. Ahlson, Idaho; A. J. Ogaard, Montana, and H. J. Webb, Utah, representing their respective state certifying agencies, agreed upon the following grades:

Extra No. 1 (Blue tag)—Sound plump seed; 99.50 per cent pure; no noxious weeds; Sweet Clover free.
No. 1 (Red tag)—Sound plump seed; 99 per cent pure; noxious weed free; Sweet Clover not more than 1/8 of 1 per cent.

Sample No. 2 (Yellow tag)—Certified as to variety; seed from registered fields but below quality of No. 1 grade.

Mr. Ogaard is secretary of the Montana Seed Growers Association and has been instrumental in bringing these states together. Heretofore no little confusion has resulted because of the variations in grade requirements and color of tags required.

ALFALFA SEED MOVES RAPIDLY

Approximately 40 per cent of the 1926 Alfalfa crop is estimated by the United States Department of Agriculture to have left growers' hands by October 20. This is about the same movement as two years ago, but is faster than a year ago when on the same date but 30 per cent had moved. Growers have been free sellers in some sections but have sold slowly in others where they felt that prices were not in line with other seeds, which are mostly higher than last year. The highest average prices for common Alfalfa on October 20 were offered in South Dakota (\$15.80), and Montana (\$15.20), and the lowest prices in Oklahoma and New Mexico (\$12.50). Prices were lower than last year in all but one or two important producing states and averaged \$14.25 per 100 pounds, basis clean, compared with \$15.30 last year and \$15.65 two years ago. In the largest Grimm Alfalfa producing district \$26-\$28 was offered; elsewhere \$25-\$35.

The fastest movement occurred in Idaho, Okla-

homa, New Mexico, Kansas, and South Dakota. The slowest movement was in North Dakota, Utah, and Nebraska. Movement was faster than last year in Utah, Idaho, Montana, South Dakota, and Nebraska, and it was about the same as or slower than last year in the remaining states. Weather conditions in most districts were favorable for producing a better quality of seed than last year.

FLAXSEED CROP IMPROVES

Last month's estimate for the flaxseed crop at the United States shows a slight improvement over the previous month's forecast by the Department of Agriculture. The crop will run to approximately 19,500,000 bushels, compared with over 22,000,000 bushels produced last year.

A revision of the estimate of the area sown to flaxseed in Argentina shows an increase over the previous estimate. The other countries' conditions remain about the same. New estimates received bear out prediction of a decrease compared with last year. The total for nine countries so far reported, which includes Canada and the United States, is 13.5 per cent below the production for the same countries last year. The quality of the Canadian crop is reported to be 93 per cent of the 10 year average, compared with 97 per cent last year.

NEW SEED TRADEMARK

The following new seed trademark was recently published in the *Official Gazette* of the United States

HIGHLAND

Patent Office: "Highland" field seeds and seed grains. Occidental Seed Company, Salt Lake City, Utah. Filed January 25, 1926. Serial No. 226,368.

A seed cleaning runway is to be built at the plant of the Wertz Seed Company of Sioux City, Iowa.

The business of the Enterprise Seed Company at Oklahoma City, Okla., has been sold by the owners.

The two seed houses of Rush Barrett at Sherrill, Ark., which burned, are to be rebuilt immediately.

The Reuter Seed Company's new building at New Orleans, La., is to be ready for business the middle of December.

A large seed corn drier has been installed by Jens H. Johnson, seed dealer, and T. L. Wiper of Sheldon, N. D.

The Palmer Seed Company is building a new warehouse at Rocky Ford, Colo., for handling Clover seed and beans.

Ewell Williams has resigned as assistant manager of the Bowman Seed Company of Concordia, Kan., and has returned to Kansas City.

The new plant of the Roy E. Clark Seed Company of San Benito, Texas, is nearly completed. It cost \$15,000, not including equipment.

A modern seed and feed store has been opened at San Antonio, Texas, by the Commerce Seed & Feed Company. Carl Ruehle is manager.

The contract has been let by Planter Agency, Inc., E. M. Percy, president-manager, for the erection of a seed house at Baton Rouge, La.

The E. H. Noonan seed business on January 1 will go into the hands of R. A. Newcomer of North Henderson and London Gray of Aledo, Ill.

Extensive improvements are to be made to the property of the J. G. Peppard Seed Company of Kansas City, Mo., which will double its storage capacity.

The new three-story warehouse of the A. A. Berry Seed Company, Clarinda, Iowa, has been completed. It replaces the one-story building destroyed by a tornado in June.

Work is expected to start soon on the new warehouse to be built by the J. A. McCarty Seed Company of Evansville, Ind., and the building will probably be completed shortly after January 1. This company has opened a radio shop in connec-

tion with its seed business and is handling a full line of radio sets and supplies. It is believed that it is the first seed store in Indiana to open a radio shop in connection with its regular business.

W. C. McCline has bought the property of the Courtney Seed & Feed Company at Fergus Falls, Minn. He will continue it along the lines formerly followed by the old company.

The business of the Janssen Seed & Floral Company of Springfield, Ill., has been bought by the Wilson-Morgan Seed & Floral Company. Mr. Wilson is Illinois state seed analyst.

Articles of incorporation have been filed by the Collier-Hurst Drug & Seed Company, Inc., of Montgomery, Ala. The capital stock of the firm is \$10,000. A. J. Collier is president; D. W. Hurst, secretary-treasurer.

G. W. Mackey is now with the Woodcock Floral Company of Spencer, Iowa. He was formerly manager of the Jefferson Seed Houses, Jefferson, Iowa. The company will handle a full line of farm and grass seeds, vegetable and flower seeds, etc.

The seed and feed business of the Farmers Produce Company at Eagle Point (p. o. Chippewa Falls), and Chippewa Falls, Wis., has been bought by W. G. Sherman of Riverton, Iowa, who will operate as the Sherman Seed & Feed Company.

The City Grain & Seed Company of Mt. Vernon, Wash., has changed its name to Alf. Christianson & Co. Grain and feed are no longer handled and the firm is now a strictly seed growing and wholesale seed company. There has not been any change in the personnel or in the capital stock of the firm.

The Davenport Seed Company has been incorporated at Davenport, Iowa, as a successor to the Bruns Seed Company. The firm is capitalized at \$100,000. A. R. Bruns is president; F. C. Harrison is secretary; A. L. Bruns is treasurer. The company owns and operates a seed store in Moline in addition to the Davenport store.

The Crumbaugh-Kuehn Company, The Toledo Field Seed Company, The Premier Seed Company and The Toledo Seed Company have combined and will operate at Toledo as the Toledo Premier Seed House. Radford Burge and F. R. Moore will have active management of the new organization which is a member of the Produce Exchange.

GRAIN TRADE PATENTS

Bearing Date of September 14, 1926

Grain car door.—Carl August Johanson, Duluth, Minn. Filed March 29, 1926. No. 1,600,114.

Bearing Date of September 21, 1926

Combined grain door strip and side door post protector.—Sylvester L. Joiner, McGregor, Texas. Filed April 7, 1926. No. 1,600,946.

Bearing Date of September 28, 1926

Grain circulator.—John Frederic Reavis, Ragulo, P. I. Filed June 12, 1925. No. 1,601,224.

Bearing Date of October 5, 1926

Grain door for freight cars.—Clarence E. Caraway, Port Williams, Ohio. Filed March 20, 1924. No. 1,601,996.

Bearing Date of October 12, 1926

Gravity operated grain aerator.—Katherine L. Heinz, Champaign, Ill. Filed March 23, 1925. No. 1,603,108. See cut.

Claim: A grain aerating machine comprising a vertically elongated aerating passage, inclined grain agi-

Write or Wire for Prices on

LESPEDeza

(Japan Clover)

I. WIND & CO.

Seedsmen

HUNTSVILLE

ALABAMA

SEEDS

BETTER SEEDS; BETTER CROPS
PRUNTY SEED & GRAIN CO.
9 South Main St. SAINT LOUIS



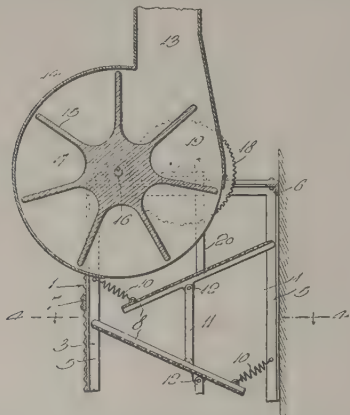
BUYERS—SELLERS, FIELD SEEDS

ED. F. MANGELSDORF & BRO.

Wholesale Field Seeds

First and Victor Sts., St. Louis, Mo.

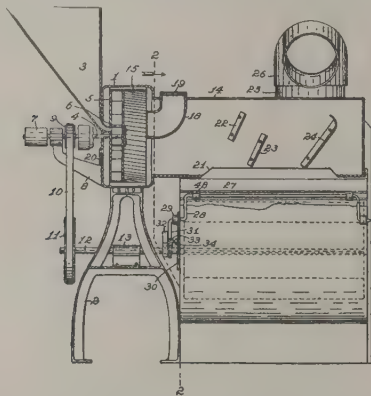
tators in said passage extending alternately from opposite sides thereof, means for positively vibrating said grain agitator, additional pivotally mounted grain agitators in the lower portion of said passage under the aforesaid agitators and extending alternately from



opposite sides of said passage, and means yieldably supporting said additional agitators and permitting them to vibrate under the action of the descending grain.

Oat hulling machine.—John K. Roskamp, Marshalltown, Iowa. Filed April 27, 1926. No. 1,602,940. See cut.

Claim: A device of the character described, comprising the combination of a chamber, a rotatable hulling device therein with interiorly rugated hollow outwardly opening arms, a rugated wide annulus surrounding said hulling device, said chamber having a delivery aperture for separated hulls and another aperture for separated grain and hulls mingled there-

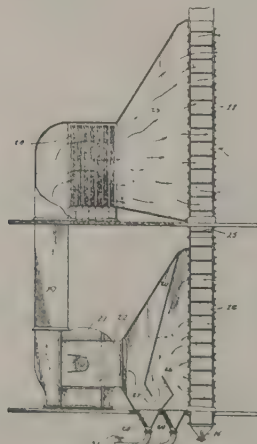


with, a sieve vibratory mounted beneath the latter delivery aperture, a vertically disposed conduit having a port to receive from said sieve and means for propelling a current of air upwardly through said conduit past the said port therein to drive the hulls out of the upper end of the conduit while allowing the cleaned grain to descend through a lower part of the conduit.

Bearing Date of October 19, 1926

Grain drier.—Norman C. Ellis, Evanston, Ill., assignor to Ellis Drier & Elevator Company, Chicago, Ill., a corporation of Wisconsin. Filed March 20, 1922. No. 1,603,526. See cut.

Claim: In a grain drier, the combination of a drier-unit, a cooler-unit, a blower, a conduit between the cooler-unit and the intake side of the blower, a conduit between the exhaust side of the blower and the drier-



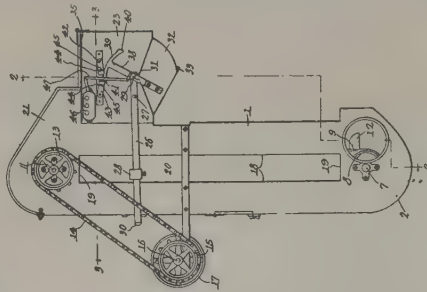
unit, said blower being adapted to draw air through the cooler-unit and force it through the drier-unit, a pair of substantially imperforate baffles secured in said first mentioned conduit and extending thereacross, said baffles being spaced apart and extended to lap each other to cause the air to travel in a tortuous path and the dust carried thereby to be arrested, and a collector for the dust.

Bearing Date of November 2, 1926

Apparatus for elevating and weighing grain and the like.—Thomas G. Branaman, Hutchinson, Kan. Filed March 2, 1926. No. 1,605,700. See cut.

Claim: An apparatus of the class described, a cas-

ing, a tiltable structure therein including a deflecting plate and downwardly diverging bottom plates said casing being open at the bottom and having a feed opening at the top, said tiltable structure cooperating with the casing to provide separate bulk compartments and being tiltable to either of two extreme positions to place the respective compartments in communication with the feed opening and to close the bottom plate of said compartment against the casing to limit the tilting movement of the tiltable



structure, the bottom plate of the other compartment being in open position, weighing means yieldingly supporting the tiltable structure, a member movable with the tiltable structure, and separate holding means for engagement with said member to hold the tiltable structure against return movement from either of two extreme positions, said structure being movable downwardly under the weight of a load within the closed compartment for releasing said member from its holding means, the said tiltable structure, when released, being movable from one extreme position to the other extreme position, thereby to deliver the contents of the loaded compartment and to place the other compartment in communication with the feed opening.

Miscellaneous Notices

SCALE TICKETS AT LOW PRICES

With or without carbon duplicate, for registering scales or plain tickets. BENTON REVIEW SHOP, 10 Sixth St., Fowler, Ind.

WANTED

Partner—too much for one man. Will accept part trade. This will stand inspection. HAWARDEN ROLLER MILLS AND ELEVATOR, Hawarden, Iowa.

FLOUR AND MILL FEEDS

Mixed cars of flour and mill feeds in 100-pound sacks are our specialties. Would like to send you a trial order to convince you of the superiority of our products. ANSTED & BURK CO., Springfield, Ohio.

WANTED

Position as manager of a country elevator. Twelve years' experience; know sidelines and books. Can give bond. No bad habits. Can furnish references as to character and ability. M. M., Box 11, care AMERICAN ELEVATOR AND GRAIN TRADE, 431 S. Dearborn St., Chicago, Ill.

For Sale

MACHINERY

FOR SALE

Pulleys, 1,000; all sizes, solid cast iron, wood and steel split. Elevator belts and buckets and supplies. STANDARD MILL SUPPLY COMPANY, 501 Waldheim Building, Kansas City, Mo.

FOR SALE

Hercules Geared Crusher, 100 bu. capacity; Little Giant Crusher, 30 bu. capacity; Chief Ear Corn Crusher and Grinder, 50 bu. capacity; Triumph Sheller; Scalpers; Bag Holders; used 18 and 20-in. ball bearing Monarch Attrition Mills. L. F. PER-RIN, Box 375, Port Huron, Mich.

WANTED

We are in the market for a machine that will remove the hull from barley and oats. J. G. SMITH GRAIN CO., Gatesville, Texas.

EUREKA COMBINATION DUST COLLECTOR

No. 34, in good running order. List price new, \$339. Our price, f.o.b. Keokuk, \$125. PURITY OATS COMPANY, Keokuk, Iowa.

ELEVATORS AND MILLS

FOR SALE

Elevator and feed mill, also lumber yard, if wanted; or will sell without lumber yard. A. R. IVES, Delavan, Wis.

FOR SALE IN NEBRASKA

Concrete elevator, built in 1919, 50,000 bushels' capacity; also double corn crib, 2,000 bushels' capacity; hog house and two vacant lots. For further information, inquire W. M. DAHNKE, Tilden, Neb.

FOR SALE IN NORTHERN ILLINOIS

Several grain elevators at small stations. Also handling lumber, coal and other side lines. HOL-COMB-DUTTON LUMBER COMPANY, Sycamore, Ill.

ELEVATOR IN EXCHANGE FOR LAND

Transfer elevator in Chicago switching district, with modern equipment. Capacity about 125,000 bushels. Owner not a grain man and will exchange for unencumbered land of equal value. It will pay you to investigate this. JAMES M. MAGUIRE, 6440 Minerva Ave., Chicago, Ill.

TWO ELEVATORS FOR SALE OR RENT

Combined capacity, 35,000 bushels. Equipped with two Howe Scales, one Richardson Automatic Sacking Scale, Monitor Cleaner, 24-inch Unique Attrition Feed Grinder direct connected to two 20-h.p. motors. Handle flour, feed, seeds, etc., also salt, lime and cement. Located on C. M. & St. P. Railway, 32 miles north of Green Bay. Worth investigating. J. N. BASSETT, Lena, Wis.

WONDERFUL BUSINESS OPPORTUNITY

Will sell at a real bargain, milling property located at Mayville, N. D., in the midst of finest Red River Valley farming district. A 150-ft. frontage on Great Northern Railroad, three-story building with cupola, basement and 36x48-ft. warehouse. Northway Feed Mill with Western Electric Motor. Good opportunity for grain dealers, seed house and spud buyer. Excellent school advantages in city. EDITH M. SHELTON, 1024 3rd Ave., South, Fargo, N. D.

Land Opportunities

WHOLESALE ACREAGE FOR SALE

Southern Mississippi lands now offer great investment opportunities. Write us for information. T. S. JACKSON LAND COMPANY, Hattiesburg, Miss.

MISSISSIPPI FARMS FOR SALE

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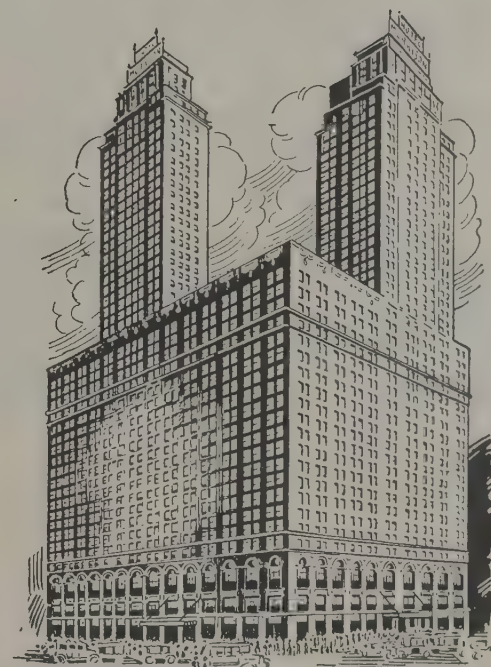
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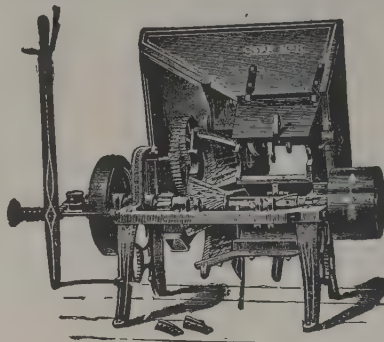
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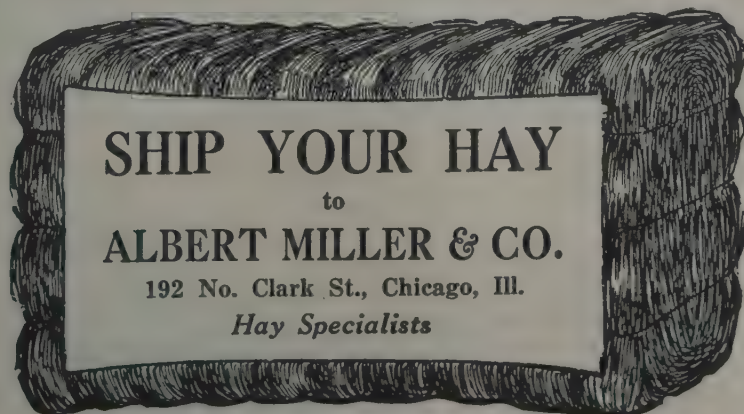
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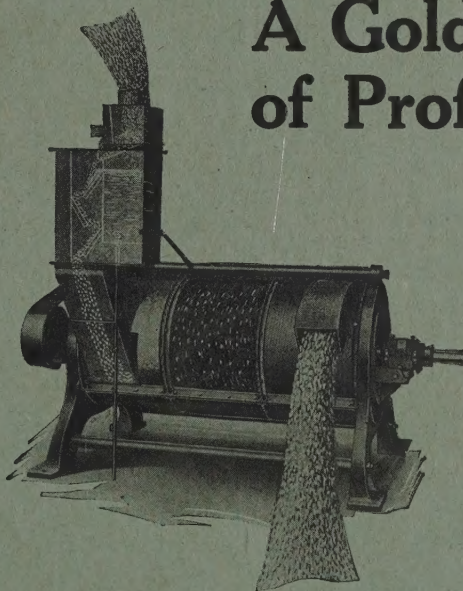
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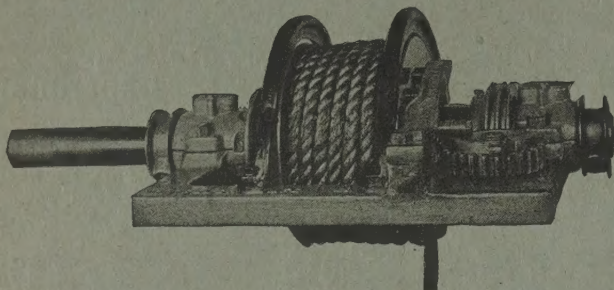
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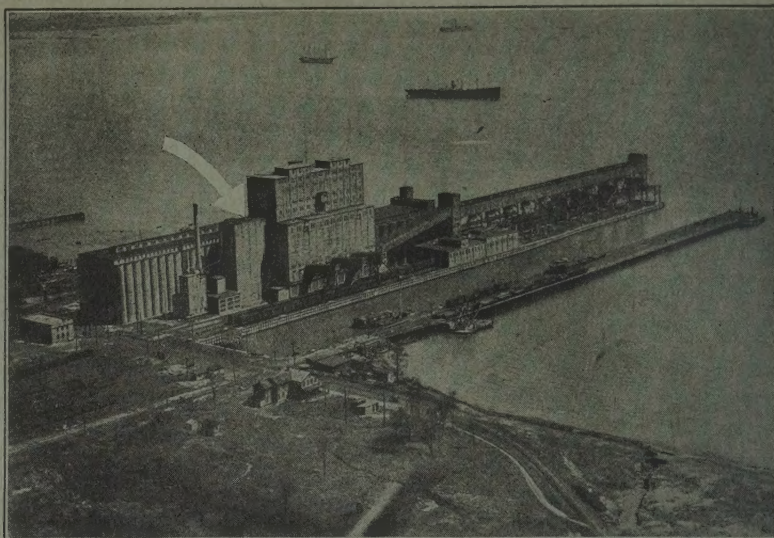
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